



**The Local Government Pension Scheme
(England and Wales)
Individual Incoming & Outgoing Transfers**

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1 Introduction

- 1.1 The Secretary of State for Communities and Local Government is required under the Local Government Pension Scheme Regulations 2013 (SI 2013/2356) ('the 2013 Regulations') to issue actuarial guidance on the earned pension credited to a member's pension account where a transfer value has been accepted (regulations 100 and 101 of the 2013 Regulations).
- 1.2 Additionally, under regulations 96 and 101AB of the 2013 Regulations, a member may apply for a transfer payment out of the pension fund.
- 1.3 The Government Actuary's Department (GAD) seeks to achieve a high standard in all our work. Please go to our [website](#)¹ for details of the standards we apply.

Implementation and Review

- 1.4 The Secretary of State is required to consult with the GAD before issuing actuarial guidance under the 2013 Regulations [Regulation 2(3) of the 2013 Regulations].
- 1.5 As part of this consultation the Department for Communities and Local Government (DCLG) has asked GAD to recommend actuarial guidance in respect of the regulations detailed above. This document forms GAD's recommendation for the actuarial guidance required by these regulations.
- 1.6 This note has effect only when this guidance is issued by the Secretary of State in accordance with Regulation 2(3) of the 2013 Regulations, and is subject to the implementation instructions provided at that time.
- 1.7 This guidance replaces the previous guidance dated 26 March 2010 but uses the same assumptions on which that guidance was based. It incorporates the following updates:
 - > Adjustment Factors have been included for members with a pension age over 65;
 - > In references to service after 1 April 2008, a distinction has been made between service from 1 April 2008 to 31 March 2014 and from 1 April 2014 onwards;
 - > Non-Club transfers in now relate to a career average revalued earnings benefit and the factors have been updated accordingly; and
 - > A number of other refinements have been made.
- 1.8 This note relates to individual transfers from and into the Local Government Pension Scheme (LGPS) in accordance with Regulations 96, 100 and 101 of the 2013 Regulations. It sets out the general method for assessing:
 - > Statutory (non-Club) Cash Equivalent Transfer Values (CETV);
 - > Club transfer values;
 - > The benefits to be provided in respect of incoming CETVs; and
 - > The benefits to be provided in respect of incoming Club transfer values representing final salary pension rights.
- 1.9 This guidance has been written for pension administrators and assumes some knowledge of general pension terminology, and some familiarity with retirement

¹ <https://www.gov.uk/government/organisations/government-actuaries-department/about/terms-of-reference>

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calculations for the Local Government Pension Scheme. Any questions concerning the application of the guidance should, in the first instance, be referred to DCLG.

1.10 Administrators need to ensure that they use the latest factors in circulation. The factors contained in this note, and examples on which they are based, are taken from the following GAD notes:

- > Actuarial Factors for Individual Cash Equivalent and Club Transfers from 1 January 2012, dated 22 February 2012, and
- > The Early Payment of Pension guidance dated March 2014.

However, this note also contains revised factors for incoming non-Club transfers and new conversion factors for situations where normal pension age is above 65.

1.11 The factors contained in this note will be reviewed periodically. This will depend on external circumstances, for example when changes in the actuarial assumptions adopted for other scheme factors take place; or following each triennial cycle of future valuations of the LGPS.

Further background on Club and EU scheme transfers

1.12 Transfers within the public sector transfer Club are covered by the "Club Memorandum" published by Cabinet Office. This guidance is based on the most recent version of that Memorandum which was issued in March 2012 and known as PSTC5 and incorporated the new Club transfer factors that have applied since 1 January 2012. Administrators should comply with the Club Memorandum at all times, and in particular, consider the impacts on Club transfers-in and/or transfers-out of any changes that are made to the Club Memorandum, regardless of whether those changes have been incorporated into any updated version of this guidance. Section 8.4 of this guidance explains how incoming service credits are calculated for members whose pensionable pay in the LGPS exceeds the Club earnings cap, consistent with the requirements of the Club Memorandum.

1.13 Under Regulation 9(1) of the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations (SI 2014/525) ('the 2014 Scheme Transitional Regulations'), a Club transfer payment representing final salary benefits that arose over a period that includes a period before 1 April 2015 should provide a service credit in the same way that it would have done under the 2008 Scheme, so long as the member has not had a continuous break in active membership of more than five years in any public service pension scheme.

1.14 DCLG has confirmed that the intention of regulation 84(2) of the Local Government Pension Scheme (Administration) Regulations 2008 (SI 2008/239) ("the Administration Regulations") is that the credited period for a Club Transfer in should be calculated in accordance with the Club Memorandum. On DCLG's instruction, we have prepared this guidance in line with that intention. GAD are not lawyers and our advice does not constitute legal advice, but we observe that Administration Regulation 84(2)(c) does not appear to reflect the policy intention to follow the Club Memorandum. Specifically, it requires that the service credit is the period which, if used to calculate a transfer value to be paid by the LGPS, would produce an amount equal to the transfer value received. However, we note that under the Club Memorandum this will only be the case if the member's LGPS pensionable pay is equal to their pensionable pay in their previous Club scheme (indexed as necessary).

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- 1.15 European Union scheme transfers under regulation 102 of the 2013 Regulations are not covered by this guidance. Funds should contact the DCLG on an individual basis when dealing with a potential transfer under this regulation for onward transmission to GAD.

Use of this note

- 1.16 This note has been prepared for DCLG and can be relied upon by them. We are content for this note to be released to third parties, provided that:

- it is released in full
- the advice is not quoted selectively or partially, and
- GAD is identified as the source of the note

- 1.17 Third parties may wish to seek their own actuarial advice where appropriate. GAD has no liability to any person or third party for any act or omission taken, either in whole or in part, on the basis of this note.

Third party reliance

- 1.18 When issued by the Secretary of State in accordance with paragraph 1.6 above, this note should be used as the actuarial guidance required under the regulations cited. Other than for this purpose, no person or third party is entitled to place any reliance on the contents of this note, except to any extent explicitly stated herein.

2 Transfers-Out (CETV and Club) – general issues

- 2.1 The transfer value calculations can be complex due to changes that have occurred in the LGPS, both in respect of the form of benefits accrued and in the ages at which members can take their pension benefits.

Changes to form of benefits

- 2.2 LGPS benefits change from 1 April 2014. Benefits accrued from that date are on a career average revalued earnings basis, whereas benefits were accrued on a final salary basis before 1 April 2014.
- 2.3 Service between 1 April 2008 and 31 March 2014 was based on an accrual rate of 1/60th (“60ths”) with no retirement grant, whereas service before 1 April 2008 was based on an accrual rate of 1/80th (“80ths”) with a retirement grant of 3/80^{ths}.
- 2.4 Where relevant, benefits need to be split between those relating to membership before 1 April 2008, between 1 April 2008 and 31 March 2014, and after 1 April 2014, and each element valued separately.
- 2.5 Benefits from 1 April 2014 may be subject to a final salary underpin. See the current Early Payment of Pension guidance for further details on the application and calculation of this underpin.

Changes to pension ages

- 2.6 The pension ages at which members can take their benefits unreduced can differ for different periods of service. There are 4 possibilities in this regard, and some members may have accrued service with more than one element:
- Critical Retirement Age (determined as the Rule of 85 age for each member with a minimum of 60, and therefore an age between 60 and 65)
 - Pension Age 65
 - “Taper” service in which a generous early retirement factor is applied on retirement before normal pension age, but not as generous as assuming unreduced retirement from the Critical Retirement Age.
 - Normal Pension Age (NPA, the higher of age 65 and the member’s State Pension Age).
- 2.7 For example, some members could have accrued service based on a Critical Retirement Age (less than 65), State pension age of 66, as well as Taper service.
- 2.8 DCLG have confirmed that State Pension Age for the purpose of calculating transfer value factors should be based on current stated Government policy and not legislation in force at the guarantee date.
- 2.9 The central factors are based on pension age 65 and allowance for a lower CRA, or a higher NPA, is made using a conversion factor. For each element of service to which a particular retirement age attaches, a separate calculation will be required using conversion factors for that specific retirement age.
- 2.10 Under this approach, for Pension Ages above or below age 65, it is necessary to apply the appropriate conversion factors, both in the case of outgoing non-Club CETVs and in the case of Club transfers.

Combinations of accrual rate and pension age

- 2.11 There will be many different combinations of accrual rate and pension age. Table 1 below summarises the different combinations that apply depending on which of 4

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categories the member belongs to (see 2.15) and the period of membership being considered (see 2.16).

2.12 Separate calculations will be required for each different combination of accrual rate and pension age.

2.13 In no case should it be necessary to calculate more than six intermediate CETVs reflecting different combinations of pension age and service period (see Groups 1 and 2 in Table 1 below).

2.14 If such a member has additional pension, or membership gained other than through active service, then those benefits may also have a different retirement age, in which case those elements will also require a separate calculation.

2.15 The four categories of members are defined below

- Group 1: A member who was an active member prior to 1 October 2006, and born on 31 March 1956 or earlier;
- Group 2: A member who was an active member prior to 1 October 2006, and born between 1 April 1956 and 31 March 1960 inclusive and who would reach their Critical Retirement Age by 31 March 2020;
- Group 3: A member who was an active member prior to 1 October 2006 who is not a Group 1 or Group 2 member;
- Group 4: A member who was not a member prior to 1 October 2006.

2.16 A member's total membership should be divided into the following Parts:

- Part A: Membership up to 31 March 2008
- Part B1: Membership from 1 April 2008 to 31 March 2014
- Part B2: Membership from 1 April 2014 to 31 March 2016
- Part C: Membership from 1 April 2016 to 31 March 2020
- Part D1: Membership from 1 April 2020

Part D2 does not relate to accrual during periods of membership, but includes benefits acquired prior to 1 April 2020 which have a NPA of 65.

The various combinations required for taking into account during CETV calculations are as set out in Table 1

Table 1: combinations of pension age and accrual rate for CETV calculations

	Group 1	Group 2	Group 3	Group 4
Part A	CRA/80ths	CRA/80ths	CRA/80ths	65/80ths
Part B1	CRA/60ths	Taper/60ths	65/60ths	65/60ths
Part B2	CRA/CARE	Taper/CARE	NPA/CARE	NPA/CARE
Part C	NPA/CARE	Taper/CARE	NPA/CARE	NPA/CARE
Part D1	NPA/CARE	NPA/CARE	NPA/CARE	NPA/CARE
Part D2	65/No accrual	65/No accrual	65/No accrual	65/No accrual

Where:

- CRA is the member's 'Critical Retirement Age' as defined in paragraph 2.17 below

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- NPA is the member's State Pension Age or, if higher, age 65
- Taper indicates tapered early retirement reduction factors apply, as described in paragraph 5.1

Critical Retirement Age

- 2.17 The member's Critical Retirement Age is the earliest age at which they would have satisfied the 85 year rule for the purposes of Schedule 2 of the 2014 Scheme Transitional Regulations, subject to the limit set out in paragraph 2.18 below.
- 2.18 A member's Critical Retirement Age cannot be greater than age 65.

Guarantee Date

- 2.19 The relevant date for calculating a transfer value is the "guarantee date" as defined in The Occupational Pension Schemes (Transfer Values) Regulations 1996.
- 2.20 A transfer value should be guaranteed for three months from the guarantee date. If a request to pay the transfer value is made within three months of the guarantee date, it will not be necessary to recalculate the transfer value, provided the payment is made within 6 months of the guarantee date. If the payment is not made within those timescales, the administering authority must
- For a Club transfer, recalculate the Club transfer amount as at the date of payment.
 - For a CETV, in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 1996, pay the larger of:
 - a) the recalculated transfer amount as at the date of payment, and
 - b) the original amount, increased with interest for the period between the guarantee date and the date of payment, calculated on a daily basis at an annual rate of 1% above base rate.

Calculation of pension benefits

- 2.21 The benefits to be valued for a deferred member should include revaluation reflecting the most recent Treasury Order or Pensions Increase Order at the guarantee date. Details regarding adjustments for GMPs are covered in the detailed factors and instructions in sections 16-19 of this guidance.

Spouse and Civil Partner benefits used in the calculations

- 2.22 The pension payable to a spouse or civil partner on the death of a member can depend on whether the marriage or civil partnership occurred before or after the member left the LGPS.
- 2.23 The survivor's benefits taken into account for the calculations should be as follows:
- 2.23.1 If the member is, at the guarantee date, either married, civil partnered, or cohabiting with a person who meets the definition of a cohabiting partner under the 2013 Regulations, the survivor's benefit should be the benefit that would be payable to the current spouse or civil partner or cohabiting partner.
 - 2.23.2 If the member is not married, civil partnered, or cohabiting with a person who meets the definition of a cohabiting partner under the 2013 Regulations at the guarantee date but the member had previously been in a civil partnership or same-sex marriage, the survivor's benefit should be the benefit that would be payable to the survivor were the member to enter a civil partnership or same-sex marriage after leaving the scheme.
 - 2.23.3 In all other cases, the survivor's benefit should be the benefit that would be payable to a spouse were the member to marry after leaving the scheme.
- 2.24 For transfer value quotations requested for the purposes of divorce proceedings, the survivor's benefit is determined on the assumption that the member is no longer currently married or civil partnered, and the survivor's benefit is decided in accordance with 2.23.2 or 2.23.3 as appropriate.

Miscellaneous issues

- 2.25 A member may be receiving pension benefits whilst still accruing further benefits, for example after "flexible retirement". If such a member leaves service and requests a Club transfer or CETV (for the purposes of transferring a pension, not for divorce purposes) then the Club transfer or CETV should allow only for the deferred benefits but not the benefits in payment. The benefits in payment may not be transferred, and would only be considered when calculating a CETV for divorce purposes.
- 2.26 The Early Retirement guidance provides instructions on how to allocate periods of membership not gained through active service to the Part A, B1, B2, C, D1, or D2 membership.
- 2.27 Additional Pension benefits under regulations 16 (Additional pension contributions) or 31 (Award of additional pension) of the 2013 Regulations do not require an accrual rate to calculate, and their value should be calculated using PA65 factors adjusted for NPA. The factors should be applied to the accrued additional pension in the same way as they would be applied to other accrued pension for service from April 2014. Additional pension benefits purchased prior to 1 April 2014 should be valued using PA65 factors.

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- 2.28 However, special CETV factors will be required where the election to purchase additional pension was made before 1 April 2012. This is because the additional pension for those elections increases in deferment and in payment by RPI, rather than CPI under the Pensions Increase Acts. Requests for the special factors should be made to GAD via DCLG.
- 2.29 Special CETV factors relating to GMPs will also be required for the calculation of transfer values for a member whose normal pension age exceeds age 65 and who has brought a transfer value into the Scheme after 1 April 2014 that included a GMP. Requests for the special GMP factors should also be made to GAD via DCLG.
- 2.30 All Club and outgoing non-Club CETV calculations in relation to 60ths or CARE benefits should be undertaken using only the pension factors and ignoring the lump sum factors.
- 2.31 The transfer value for members who are over CRA and who request a transfer should be based on immediate pension factors as used in the guidance: "Pensioner Cash Equivalent Factors on Divorce".
- 2.32 Formulae and factors to value Protected Rights benefits have not been included in this version of the Guidance. Such calculations are not expected to be routinely needed for CETV calculations following the abolition of contracting-out on a Money Purchase basis from 6 April 2012. Funds should contact the DCLG in respect of any cases in which Protected Rights calculations are required, for onward transmission to GAD.

3 Transfers Out (CETV-specific issues)

- 3.1 A member is entitled to a CETV quotation for the purposes of transferring their pension provided that they make a transfer request at least one year before their Normal Pension Age, or if later, within 6 months of leaving as long as the request is made before the member's Normal Pension Age. A CETV quotation for divorce purposes must be provided at any age.
- 3.2 If the fund has previously received a non-Club transfer in respect of the member, then an underpin applies in the case of a non-Club transfer value calculation. The underpin is equal to the amount of the transfer received plus member contributions paid to the LGPS.

Pension debit members

- 3.3 For members with a pension debit resulting from divorce, the transfer value calculation can be based on the valuation of the member's benefits after subtraction of the debit (all revalued to the guarantee date).
- 3.4 Alternatively, the calculation can be done in two stages, similar to paragraph 3.6 below. The calculations using this alternative method should result in the same transfer value as the method described at paragraph 3.3.

Pension offset members

- 3.5 For members with a pension offset resulting from a "Scheme Pays" election, the non-Club CETVs must be calculated in two stages as described in paragraph 3.6.
- 3.6 First, a gross transfer value should be calculated ignoring the pension offset. Second, the value of the pension offset should be calculated (ie the transfer value of a deferred pension of the same amount as the pension offset payable from NPA). The transfer value quoted and paid is the net amount: the gross transfer value less the value of the pension offset.

4 Transfers Out (Club-specific issues)

- 4.1 The conditions for transferring benefits on Club terms are covered in detail in paragraphs 4.1 and 4.2 of the Club memorandum.
- 4.2 The Club memorandum (paragraph 7.22) states that career average benefits cannot be transferred out on Club terms. A transfer-out by a Councillor is therefore always a non-Club transfer, whether the receiving scheme is a Club or non-Club scheme, unless the Councillor also has some final salary benefits in the LGPS (perhaps from an earlier period of LGPS service as a non-councillor) in which case those final salary benefits can be transferred on Club terms.
- 4.3 Similarly, a transfer-out in relation to post 1 April 2014 benefits is calculated on non-Club terms for all members.
- 4.4 The Club memorandum (paragraphs 7.24a and 7.26 – 7.28) also clarifies that a Club transfer should be calculated in two parts for a member who has both a final salary pension (linked to salary and service) and additional pension:
- > The final salary element is calculated on Club terms;
 - > The Added Pension element is calculated on non-Club terms.
- 4.5 Where a member has both elements listed in 4.4, the transfer amount for each element should be calculated separately, using the formulae in section 6. The transfer amounts for each element should be clearly shown in the information provided to the receiving scheme.
- 4.6 Care needs to be taken to prevent windfall gains or losses in cases where an individual will work, or has been working, on an occasional basis e.g. a Local Government Returning Officer, or where the hours for a full-time post fall below a normal working week e.g. a position requiring only five hours attendance a week. Advice on Club transfer for any such members should be referred to GAD via DCLG.

Members with a pension debit or offset

- 4.7 For members with a pension debit or offset, the transfer value should be calculated in two stages.
- 4.8 First, a gross transfer value should be calculated ignoring the pension debit/offset. Second, the value of the pension debit/offset should be calculated (ie the transfer value of a deferred pension of the same amount as the debit/offset).
- 4.9 The results of both calculations in 4.8 should be passed to the receiving scheme. The transfer value paid is the net amount: the gross transfer value less the value of the pension debit/offset.

5 Calculations for Taper service

- 5.1 For the purposes of calculating transfer values (whether CETVs or Club transfers), benefits subject to the “Taper” are valued using the following method:
- > Deferred benefits are calculated in respect of “Taper” service, payable from age 65, but with preferential early retirement.
 - > The deferred “Taper” benefits are then adjusted to the amounts that would be payable from the member’s CRA by applying a “Tapered Early Retirement factor”, and
 - > The adjusted “Taper” benefits are then valued in line with other benefits payable from CRA – ie the Pension Age 65 factors are used, with a further adjustment which reflects payment from CRA rather than age 65.
- 5.2 DCLG has confirmed that a group 2 member (i.e. a member who was an active member prior to 1 October 2006, and born between 1 April 1956 and 31 March 1960 inclusive and who would reach their Critical Retirement Age by 31 March 2020, as defined in Table 1 from section 2) is entitled to tapered reduction factors for some periods of service. The tapered reduction factors are interpolated between:
- the reduction factor applicable if the rule of 85 applied
 - the reduction factor applicable based on the member’s Normal Retirement Age in the 2008 scheme (ie age 65)

The interpolation should be based on the later of the date on which the member would attain their CRA and the date of the member’s 60th birthday. Taper reduction factors apply to service from 1 April 2008 to 31 March 2020.

- 5.3 DCLG has further confirmed that a member who was a member before 1 October 2006 and who was born between 1 April 1956 and 31 March 1960 inclusive and who would not reach their Critical Retirement Age by 31 March 2020 does not receive taper reduction factors.
- 5.4 Example 2 (in Section 13) relates to a sample member with Taper benefits.

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6 Transfer-Out formulae (CETV and Club)

The total transfer value is the sum of $TV^{PRE-2008}$, $TV^{2008-2014}$ and $TV^{POST-2014}$, the transfer values in respect of service before 1 April 2008, from 1 April 2008 to 31 March 2014, and from 1 April 2014 respectively, calculated as below.

The formulae below use accrued benefits as data items, with all pensions (including GMPs) based on annual amounts and with the benefits split between the various service periods as follows:

	Service before 1 April 2008	Service from 1 April 2008 to 31 March 2014		
		PA65 service*	CRA service*	Taper service*
Accrued Pension	A	B^{08}	C^{08}	D^{08}
Retirement Grant	I	-	-	-
Surviving Partner's Pension	K	L^{08}	M^{08}	N^{08}
NI Modification	V			
Pre 88 GMP	X			
Post 88 GMP	Y			
		Service from 1 April 2014		
		NPA service*	CRA service*	Taper service*
Accrued Pension	B^{14}	C^{14}	D^{14}	
Retirement Grant	-	-	-	
Surviving Partner's Pension	L^{14}	M^{14}	N^{14}	

* Currently, members will only have accrued benefits in one of these three elements, although they could have more than one of the elements due to transfers-in or added pension.

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Service before 1 April 2008

	Formula	Result
Pension	$A \times \text{FACTOR}^P \times \text{ADJ}^{P-08}$	E
Retirement Grant	$I \times \text{FACTOR}^{\text{RG}} \times \text{ADJ}^{\text{LS}}$	J
Surviving Partner's Pension	$K \times \text{FACTOR}^S$	O
NI Modification	$V \times \text{FACTOR}^{\text{NI}}$	W
GMP adjustment	$[(X \times \text{PRE88}) + (Y \times \text{POST88})] \times \text{FACTOR}^{\text{GMP}}$	Z
Transfer value (for service pre April 2008)	$E+J+O-W-Z$	$\text{TV}^{\text{PRE-2008}}$

Service from 1 April 2008 to 31 March 2014

	Formula	Result
Pension (PA65)	$B^{08} \times \text{FACTOR}^P$	F^{08}
Pension (CRA)	$C^{08} \times \text{FACTOR}^P \times \text{ADJ}^{P-08}$	G^{08}
Pension (Taper)	$D^{08} \times (1-\text{TERF}) \times \text{FACTOR}^P \times \text{ADJ}^{P-08}$	H^{08}
Surviving Partner's Pension	$(L^{08}+M^{08}+N^{08}) \times \text{FACTOR}^S$	P^{08}
Transfer value (for service April 2008 to April 2014)	$F^{08}+G^{08}+H^{08}+P^{08}$	$\text{TV}^{2008-2014}$

Service from 1 April 2014

	Formula	Result
Pension (NPA)	$B^{14} \times \text{FACTOR}^P \times \text{ADJ}^{P-14}$	F^{14}
Pension (CRA)	$C^{14} \times \text{FACTOR}^P \times \text{ADJ}^{P-08}$	G^{14}
Pension (Taper)	$D^{14} \times (1-\text{TERF}) \times \text{FACTOR}^P \times \text{ADJ}^{P-14}$	H^{14}
Surviving Partner's Pension	$(L^{14}+M^{14}+N^{14}) \times \text{FACTOR}^S$	P^{14}
Transfer value (for service post April 2014)	$F^{14}+G^{14}+H^{14}+P^{14}$	$\text{TV}^{\text{POST-2014}}$

Factor in formulae above (and elsewhere in this guidance)	Factor in table	Table / derivation
FACTOR^P	"Gross Pension"	Table 5.1 or 5.2 in this Guidance
$\text{FACTOR}^{\text{RG}}$	"Lump Sum"	Table 5.1 or 5.2 in this Guidance
FACTOR^S	"Surviving Partner's Pension"	Table 5.1 or 5.2 in this Guidance
$\text{FACTOR}^{\text{NI}}$	"Deduction for NI Modification"	Table 5.1 or 5.2 in this Guidance

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FACTOR ^{GMP}	“Adjustment for GMP”	Table 5.1 or 5.2 in this Guidance
ADJ ^{P-08}	“Personal Pension”	Table 7.1a in this Guidance
ADJ ^{LS}	“Lump Sum”	Table 7.1a in this Guidance
ADJ ^{P-14}	“Personal Pension”	Table 7.1b in this Guidance
PRE88		This factor equals 1 for calculations for all male members.
		For calculations for female members up to and including age 59, this factor is taken from Table 7.2, dependent on the appropriate CRA.
		For calculations for female members age 60 and above, a separate formula is used and Section 11 should be consulted.
POST88		This equals 0.15 for calculations for all male members.
		For calculations for female members up to and including age 59, this factor is taken from Table 7.2, dependent on the appropriate CRA.
		For calculations for female members age 60 and above, a separate formula is used and Section 11 should be consulted.
TERF	Tapered Early Retirement Factor	Derived from Early Retirement Factors depending on the date at which the member would reach their Critical Retirement Age during the period 1/4/2016-31/3/2020 – see the current Early Retirement Guidance for details. The Early Retirement Factors used in this guidance have been taken from the Early Retirement Guidance dated March 2014.

7 Transfers-In (CETV and Club) – general issues

- 7.1 A member may request his Fund to accept a transfer value if the request is made within 12 months of joining, or such longer period as his employer and administering authority may allow for incoming non-Club transfers. DCLG policy is that earned pension transfer credits should not be granted less than 6 months before NPA. Councillors cannot bring in a transfer value.
- 7.2 The factors used in the formulae in this guidance are determined for each member dependent upon their age and sex, with age determined at the relevant date (for non-Club transfers-in) or at the Guarantee Date used by the sending scheme (for Club transfers-in). The relevant date (for non-Club transfers-in) will be the date the member joined the LGPS if the transfer value is received within the first year of service, or the date the transfer is received if the transfer value is received after the first year of service.
- 7.3 Incoming transfer credits (for Club transfers-in) should be calculated by reference to PA65. If the member subsequently retires before attaining age 65, their transferred-in benefits will then be subject to the normal early retirement reductions applicable to PA65 benefits, as described in the current Early Retirement guidance document.
- 7.4 Transfer credits (for non-Club transfers-in) should be calculated by reference to NPA. If the member subsequently retires before attaining NPA, their transferred-in benefits will then be subject to the normal early retirement reductions applicable to NPA benefits, as described in the current Early Retirement guidance document.
- 7.5 Transfer credits (for Club transfers-in) should be calculated so as to produce a service credit expressed in "60ths" form. Tables 5.1 or 5.2 should be used for incoming Club transfers and tables 5.1 or 5.3 for incoming non-Club transfers. Non-Club transfers in will be awarded an earned pension transfer credit.
- 7.6 For the avoidance of doubt, no lump sum factor is required for transfer credits in 60ths or CARE form. The partner's accrual rate remains at 160ths, which represents 37.5% of the member's 60ths pension for incoming Club transfers, but 49/160ths of the member's pension for incoming non-Club transfers to the 2014 scheme.
- 7.7 Example 4 (Section 15) has an example of the calculation for a member joining on or after 1 April 2014.

8 Transfers-In (Club-specific issues)

The Club Earnings Cap

- 8.1 The benefits offered in respect of Club transfers-in are uncapped in the LGPS. The Club memorandum however requires consistency in the benefits provided before and after the Club transfer in terms of the application of earnings caps. This therefore affects Club transfers where the benefits in the sending scheme were subject to an earnings cap.
- 8.2 DCLG have agreed that the following approach be taken in respect of Club transfers-in in respect of benefits subject to, or potentially subject to, an earnings cap in the sending scheme.
- 8.3 In respect of a member whose pay in the LGPS is less than the Club Earnings Cap, no adjustment is needed to allow for any earnings cap that applied in the sending scheme.
- 8.4 In respect of a member whose pay in the LGPS is equal to or exceeds the Club earnings cap, the service credit to be offered in respect of a Club transfer that was subject to (or potentially subject to) an earnings cap in the sending scheme is calculated as follows:
- > The transfer value from the sending scheme will be calculated using the member's pensionable pay in that scheme, subject to a maximum of the earnings cap in the sending scheme, and indexed as necessary
 - > The service credit awarded should first be calculated using the same pay as used to calculate the transfer value
 - > The credit should then be reduced by multiplying by the ratio of the Club Earnings Cap to the member's pay in the LGPS.
- 8.5 The Club Earnings cap will be notified annually to Club schemes and will reflect the uprated Inland Revenue earnings cap if it had not been disapplied by HMRC. In 2013/14 the Club earnings cap is £141,000 a year.

Members with a pension debit

- 8.6 The sending scheme should pass details of the gross transfer value (calculated ignoring the pension debit) and the value of the pension debit. The gross transfer amount should be used in the normal Club transfer in calculation, as per section 10.3, to determine the service credit.

Members with a pension offset from Scheme Pays

- 8.7 In the same way as for a pension debit, the sending scheme should pass details of the gross transfer value (calculated ignoring the pension offset) and the value of the pension offset. The gross transfer amount should be used in the normal Club transfer in calculation, as per section 10.3, to determine the service credit.

9 Transfer-In formulae (non-Club)

9.1 All transfer-in credits should be based on State Pension age or, if higher, age 65, and the CARE benefit structure.

9.2 The following data are needed:

Data item	Reference in formulae below
Relevant date	
Non-Club transfer value offered	CETV
Pre88 GMP transferred (£ pa)	Q
Post88 GMP transferred (£ pa)	R

Service credit calculations

	Calculation	Result
Adjusted Transfer Value	$CETV + \{[Q + (R \times 0.15)] \times \text{FACTOR}^{\text{GMP-IN}}\}$	£T
Additional earned pension transfer credit offered	$\text{£T} / \{[\text{FACTOR}^{\text{P-IN}} \times \text{ADJ}^{\text{P-14}}] + (49/160 \times \text{FACTOR}^{\text{S-IN}})\}$	Non-Club earned pension Transfer Credit (£)

The factors in the formulae above are taken from the following Tables:

Factor in formulae above (and elsewhere in this guidance)	Factor in table	Table / derivation
$\text{FACTOR}^{\text{P-IN}}$	“Gross Pension”	Table 5.1 or 5.3 in this Guidance
$\text{FACTOR}^{\text{S-IN}}$	“Surviving Partner’s Pension”	Table 5.1 or 5.3 in this Guidance
$\text{FACTOR}^{\text{GMP-IN}}$	“Adjustment for GMP”	Table 5.1 or 5.3 in this Guidance
$\text{ADJ}^{\text{P-14}}$	“Personal Pension”	Table 7.1b in this Guidance

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10 Transfer-In formulae (Club)

10.1 All transfer-in service credits should be based on Pension Age 65, and the “60ths” benefit structure.

10.2 The following data are needed:

Data item	Reference in formulae below
Guarantee date (as used by the sending scheme)	
Club transfer value *	CLUB
Value of any pension debit in sending scheme	DEBIT
Value of any pension offset from Scheme Pays in sending scheme	OFFSET
Pensionable Pay figure used in calculation of Club transfer value **	PAY-PREV
Pre88 GMP transferred (£ pa at guarantee date)	Q
Post88 GMP transferred (£ pa at guarantee date)	R

* This should be the Club transfer value before deduction in respect of any pension debit or offset.

** This should be indexed with any increases that have been applied in deferment by the sending scheme. This can be complicated, and Paragraph 5.8 of the Club Memorandum provides more detail and should be consulted if in doubt.

10.3 The service credit should be determined using the formulae below:

	Calculation	Result
Adjusted Transfer Value	$CLUB + [(Q + POST88 \times R) \times FACTOR^{GMP}]$	£T
Cost of 1 years service	$PAY-PREV \times 1/60 \times [FACTOR^P + (FACTOR^S \times 60/160)]$	£U
Service credit offered	£T / £U	Club Service Credit (years and days)

Members with a pension debit

10.4 The pension debit payable from age 65 in the LGPS should be determined using the following calculation. The result is subject to revaluation before 65 and indexation after 65 in line with Pensions Increase Act provisions.

Pension debit from LGPS	$DEBIT / [FACTOR^P + (FACTOR^S \times 60/160)]$ where 'Debit' is the transfer value for the pension debit as advised by the sending scheme	Annual debit from 65
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Local Government Pension Scheme (England and Wales)
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Note: the pension debit applies to the member's pension and also affects the survivor's pension, but does not affect any child's pension.

Members with a pension offset from Scheme Pays

10.5 The pension offset payable from age 65 in the LGPS should be determined using the following calculation. The result is subject to revaluation before 65 and indexation after 65 in line with Pensions Increase Act provisions.

Pension offset from LGPS	OFFSET / FACTOR^P where 'Offset' is the transfer value for the pension offset as advised by the sending scheme	Annual offset from 65
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Note: in line with the current guidance document: "Annual Allowance Charges – Calculation of Scheme Pays Offset", the Pension Offset applies only to the member's pension and does not affect the pension benefits to the member's dependants.

Factors

10.6 The factors used should be for the same age as that used by the previous scheme to calculate the Club transfer value by the sending scheme. The factors used in the calculations above are listed below.

Factor in formulae above (and elsewhere in this guidance)	Factor in table	Table / derivation
FACTOR ^P	"Gross Pension"	Table 5.1 or 5.2 in this Guidance
FACTOR ^S	"Surviving Partner's Pension"	Table 5.1 or 5.2 in this Guidance
FACTOR ^{GMP}	"Adjustment for GMP"	Table 5.1 or 5.2 in this Guidance
POST88		This equals 0.15 for calculations for all male members, and 3.50 for calculations for all female members.

11 Adjustments needed to the calculations for female members over age 59

- 11.1 The formulae in the Sections above need to be adjusted slightly for some calculations for female members.
- 11.2 The adjustments affect the valuation of GMP benefits. If the member has no GMP benefits or is age 59 or younger, then this section does not need to be considered and the formulae in the Sections above will produce the correct results.
- 11.3 For female members over age 59 with GMP benefits, then calculations will need to be amended wherever factors from Table 5.2 have been used, ie
- Transfers-out (Club and CETV), and
 - Club transfers-in.
- 11.4 Transfers-out where a member has previously transferred in a GMP after 1 April 2014 but has an NRA greater than 65 are not covered by this guidance. Requests for the special factors should be made to GAD via DCLG. Such calculations are not expected to be routinely needed.
- 11.5 In the circumstances listed in 11.3, the following amendments to the formulae are needed (with all other elements of the formulae unchanged):

Transfer-out (Club and CETV)

The element of the formula in Section 6, copied below

	Formula	Result
GMP adjustment	$\frac{\{(X \times \text{PRE88}) + (Y \times \text{POST88})\}}{\text{FACTOR}^{\text{GMP}}}$	Z

should be changed to

	Formula	Result
GMP adjustment	$[(X \times \text{FACTOR}^{\text{PRE88-GMP}}) + (Y \times \text{FACTOR}^{\text{POST88-GMP}})]$	Z

where $\text{FACTOR}^{\text{PRE88-GMP}}$ is taken from Table 9.1 and $\text{FACTOR}^{\text{POST88-GMP}}$ is taken from Table 9.2.

Club transfer-in

The element of the formula in Section 10, copied below:

	Calculation	Result
Adjusted Transfer Value	$\frac{\text{CLUB} + (Q + \text{POST88} \times R)}{\text{FACTOR}^{\text{GMP}}}$	£T

should be changed to

	Calculation	Result
Adjusted Transfer Value	$\text{CLUB} + [(Q \times \text{FACTOR}^{\text{PRE88-GMP}}) + (R \times \text{FACTOR}^{\text{POST88-GMP}})]$	£T

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where $\text{FACTOR}^{\text{PRE88-GMP}}$ is taken from Table 9.1 and $\text{FACTOR}^{\text{POST88-GMP}}$ is taken from Table 9.2.

11.6 The notes to Tables 9.1 and 9.2 contain more information as to how the factors should be used.

Local Government Pension Scheme (England and Wales)
Individual incoming and outgoing transfers

12 Example 1 (CETV - CRA60 pre-2008 service, NRA65 2008-2014 service, NPA post-2014 service)

Member data:

Date of birth: 1 July 1960
Sex: Male
Date of joining: 1 July 1990
Guarantee date: 1 July 2015

Total service:	25 years	0 days
Pre-2008 service:	17 years	275 days
Post-2008, Pre-2014 service:	6 years	0 days
Post -2014 service:	1 year	91 days

Final pensionable salary: £20,000
Date of leaving: 30 June 2015

Pre-88 GMP (at guarantee date): £100 pa
Post-88 GMP (at guarantee date): £500 pa

Accrued Benefit Calculations

(these may already be stored as data items in which case they would not need to be re-calculated.)

Service before 1 April 2008

Critical retirement age = 60

Mixed pension and lump sum benefits

Pension	= $(17+275/365) \times £20,000 / 80$	= £4,438.36 pa
Retirement grant	= $3 \times £4,438.36$	= £13,315.08
Dependant's pension	= $£4,438.36 / 2$	= £2,219.18 pa

Service from 1 April 2008 to 31 March 2014

Pension age = 65

Pension only benefits

Pension	= $(6+0/365) \times £20,000 / 60$	= £2,000.00 pa
Dependant's pension	= $(6+0/365) \times £20,000 / 160$	= £750.00 pa

Service from 1 April 2014

Pension age = 66 years and 3 months (for illustration only, being based on stated Government policy at the guarantee date)

Pension only benefits

Assumed CARE Pension	= £500.00 pa
Dependants' pension	= £153.13 pa

Local Government Pension Scheme (England and Wales)
Individual incoming and outgoing transfers

Factors (male, aged 55 last birthday at Guarantee date)	
FACTOR ^P	12.48
FACTOR ^{RG}	0.76
FACTOR ^S	3.47
FACTOR ^{GMP}	3.50
ADJ ^{P-08}	1.31
ADJ ^{LS}	1.15
ADJ ^{P-14} (NRA 65 to NRA 66)	0.94
ADJ ^{P-14} (NRA 65 to NRA 67)	0.88
ADJ ^{P-14} (NRA 65 to NRA 66 years and 3 months)	0.925

Transfer value calculations

Service before 1 April 2008

	Calculation	Result
Pension	$4,438.36 \times 12.48 \times 1.31$	£72,561.86
Retirement grant	$13,315.08 \times 0.76 \times 1.15$	£11,637.38
Dependant's Pension	$2,219.18 \times 3.47$	£7,700.55
		£91,899.79
Less NI Modification	0	0
Less GMP adjustment	$(£100 + 0.15 \times £500) \times 3.50$	(£612.50)
Total Amount		£91,287.29

Service between 1 April 2008 and 31 March 2014

	Calculation	Result
Pension	$2,000.00 \times 12.48$	£24,960.00
Dependant's Pension	750.00×3.47	£2,602.50
Total Amount		£27,562.50

Service after 1 April 2014

	Calculation	Result
Pension	$500 \times 12.48 \times 0.925$	£5,772.00

Local Government Pension Scheme (England and Wales)
Individual incoming and outgoing transfers

	Calculation	Result
Dependant's Pension	153.13×3.47	£531.36
Total Amount		£6,303.36

Total transfer value

	Transfer value
Service before 1 April 2008	£91,287.29
Service from 1 April 2008 to 31 March 2014	£27,562.50
Service after 1 April 2014	£6,303.36
Total transfer value	£125,153.15

Local Government Pension Scheme (England and Wales)
Individual incoming and outgoing transfers

13 Example 2 (CETV - CRA60 pre-2008 service, Taper 2008-2014 service, Taper post-2014 service)

Member data:

Date of birth: 1 July 1958
Sex: Male
Date of joining: 1 July 1990
Guarantee date: 1 July 2015

Total service:	25 years	0 days
Pre-2008 service:	17 years	275 days
Post-2008, Pre-2014 service:	6 years	0 days
Post -2014 service:	1 year	91 days

Final pensionable salary: £20,000
Date of leaving: 30 June 2015

Pre-88 GMP (at guarantee date): £100 pa
Post-88 GMP (at guarantee date): £500 pa

Accrued Benefit Calculations

(these may already be stored as data items in which case they would not need to be re-calculated.)

Service before 1 April 2008

Critical retirement age = 60

Mixed pension and lump sum benefits

Pension	= $(17+275/365) \times £20,000 / 80$	= £4,438.36 pa
Retirement grant	= $3 \times £4,438.36$	= £13,315.08
Dependants' pension	= $£4,438.36 / 2$	= £2,219.18 pa

Service from 1 April 2008 to 31 March 2014

Critical retirement age = Taper NPA 65

Pension only Benefits

Pension	= $(6+0/365) \times £20,000 / 60$	= £2,000.00 pa
Dependants' pension	= $(6+0/365) \times £20,000 / 160$	= £750.00 pa

Service from 1 April 2014

Pension age = Taper Age 65

Pension only benefits

Assumed CARE Pension	= £500.00 pa
Dependants' pension	= £153.13 pa

Local Government Pension Scheme (England and Wales)
 Individual incoming and outgoing transfers

Factors (male, aged 57 last birthday at Guarantee date)	
FACTOR ^P	13.22
FACTOR ^{RG}	0.80
FACTOR ^S	3.60
FACTOR ^{GMP}	3.54
ERF (CRA to NRA 65) in decimal form	0.25
ERF (CRA to CRA) in decimal form	0.00
ADJ ^{P-08} (CRA to NRA 65)	1.31
ADJ ^{LS} (CRA to NRA 65)	1.15
ADJ ^{P-14} (NRA 65 to NRA 66)	0.94

Early retirement factor (ERF)

The Early Retirement Factors above are used in the calculation of the "Taper Early Retirement Factor" below and have been taken from the guidance document "Early Payment of Pension" dated March 2014.

Taper early retirement factor (TERF)

The appropriate Taper early retirement factor is determined in accordance with the guidance document "Early Payment of Pension" dated March 2014. The calculation of the Taper early retirement factor is as follows (see the Early Payment of Pension guidance for further details, including the definition of the interpolation factor F_i):

Taper period = 01/04/2016 – 30/06/2018 = 2 years 91 days

Interpolation factor (F_i) = $(2+91/365) / 4 = 0.5623$

TERF = $F_i \times \text{ERF (CRA to NRA 65)} + (1 - F_i) \times \text{ERF (CRA to CRA)}$
 $= 0.5623 \times 0.25 + (1 - 0.5623) \times 0.00 = 0.1406$

Service before 1 April 2008

	Calculation	Result
Pension	$4,438.36 \times 13.22 \times 1.31$	£76,864.41
Retirement grant	$13,315.08 \times 0.80 \times 1.15$	£12,249.87
Dependant's Pension	$2,219.18 \times 3.60$	£7,989.05
		£97,103.33
Less GMP adjustment	$(£100 + 0.15 \times £500) \times 3.54$	(£619.50)
Total Amount		£96,483.83

Local Government Pension Scheme (England and Wales)
Individual incoming and outgoing transfers

Service between 1 April 2008 and 31 March 2014

	Calculation	Result
Pension	$2,000.00 \times (1 - 0.1406) \times 13.22 \times 1.31$	£29,766.52
Dependant's Pension	750.00×3.60	£2,700.00
Total Amount		£32,466.52

Service after 1 April 2014

	Calculation	Result
Pension	$500.00 \times (1 - 0.1406) \times 13.22 \times 1.31 \times 0.94$	£6,995.13
Dependant's Pension	153.13×3.60	£551.27
Total Amount		£7,546.40

Total transfer value

	Transfer value
Service before 1 April 2008	£96,483.83
Service from 1 April 2008 to 31 March 2014	£32,466.52
Service after 1 April 2014	£7,546.40
Total transfer value	£136,496.75

Local Government Pension Scheme (England and Wales)
Individual incoming and outgoing transfers

14 Example 3 (non-Club Transfer-In)

Member data:

Date of birth: 6 November 1953

Sex: Female

NPA: 65

Date of joining: 1 July 2014

Relevant date: 1 July 2014 (if transfer value received before 1 July 2015)

Transfer value: £20,000

Pre-88 GMP: nil

Post-88 GMP: £100 pa

Factors (female, aged 60 last birthday at Relevant date)	non-Club
FACTOR ^{P-IN}	15.52
FACTOR ^{S-IN}	1.58
FACTOR ^{GMP-IN}	3.16
ADJ ^{P-14}	1.00

Non-Club calculation

	Calculation	Result
Adjusted Transfer Value	$£20,000 + £100 \times 0.15 \times 3.16$	£20,047.40
Earned pension transfer credit offered	$£20,047.40 / [(15.52 \times 1.00) + (49/160 \times 1.58)]$	£1,252.66

Local Government Pension Scheme (England and Wales)
Individual incoming and outgoing transfers

15 Example 4 (Club Transfer In)

Member data:

Date of birth: 1 June 1977
 Sex: Female
 Date of joining: 1 July 2014
 Pensionable pay in previous Club scheme (indexed as necessary): £20,000
 Current rate of pensionable pay in LGPS: £18,000
 Transfer date: 1 July 2014

Transfer value: £20,000 (no debit or offset)
 Pre-88 GMP: nil
 Post-88 GMP: £100 pa

Factors (female, aged 37 last birthday at Transfer date)	Club
FACTOR ^P	8.10
FACTOR ^S	1.17
FACTOR ^{GMP}	-0.88
POST88	3.50

a) We have assumed that no comparison is to be made against the transfer in benefits on a non-Club basis.

b) Club calculation

Cost of 1 year's service
 $£20,000 \times 1/60 \times [8.10 + 1.17 \times 60/160]$ = £2,846.25

Adjusted Transfer Value
 $£20,000 + [£100 \times (-0.88) \times 3.50]$ = £19,692.00

Service credit
 $£19,692.00 / £2,846.25$ = 6 years 335 days

c) Club service credit offered

Result from b) = 6 years 335 days

This service credit is treated as if it had arisen in the 2008 Scheme.

Local Government Pension Scheme (England and Wales)
Individual incoming and outgoing transfers

16 Club & non-Club CETV Factors based on PA65

Table 5.1 – Males

Age last birthday at relevant date	Gross Pension of £1 per annum	Lump Sum of £1	Surviving Partner's Pension of £1 pa	Adjustment for GMP of £1 pa*	Deduction for NI Modification of £1 pa
16	4.32	0.25	1.28	3.08	4.32
17	4.44	0.25	1.32	3.09	4.44
18	4.56	0.26	1.36	3.10	4.56
19	4.69	0.27	1.40	3.11	4.69
20	4.81	0.28	1.44	3.11	4.81
21	4.94	0.28	1.49	3.12	4.94
22	5.08	0.29	1.53	3.13	5.08
23	5.22	0.30	1.58	3.14	5.22
24	5.36	0.31	1.63	3.15	5.36
25	5.50	0.32	1.67	3.16	5.50
26	5.65	0.33	1.72	3.17	5.65
27	5.80	0.34	1.77	3.18	5.80
28	5.96	0.35	1.82	3.19	5.96
29	6.12	0.36	1.88	3.20	6.12
30	6.29	0.37	1.93	3.21	6.29
31	6.46	0.38	1.98	3.22	6.46
32	6.64	0.39	2.04	3.23	6.64
33	6.82	0.40	2.09	3.24	6.82
34	7.00	0.41	2.15	3.25	7.00
35	7.19	0.43	2.20	3.26	7.19
36	7.39	0.44	2.26	3.27	7.39
37	7.59	0.45	2.31	3.28	7.59
38	7.80	0.47	2.37	3.29	7.80
39	8.02	0.48	2.42	3.30	8.02
40	8.24	0.49	2.48	3.31	8.24
41	8.47	0.51	2.54	3.32	8.47
42	8.70	0.52	2.60	3.33	8.70
43	8.94	0.54	2.66	3.35	8.94
44	9.19	0.55	2.72	3.36	9.19
45	9.45	0.57	2.79	3.37	9.45
46	9.71	0.59	2.85	3.38	9.71
47	9.98	0.60	2.92	3.39	9.98
48	10.26	0.62	2.99	3.41	10.26
49	10.55	0.64	3.06	3.42	10.55
50	10.84	0.66	3.13	3.43	10.84
51	11.15	0.68	3.20	3.44	11.15
52	11.46	0.70	3.27	3.46	11.46
53	11.79	0.72	3.34	3.47	11.79
54	12.13	0.74	3.40	3.49	12.13
55	12.48	0.76	3.47	3.50	12.48
56	12.84	0.78	3.53	3.52	12.84
57	13.22	0.80	3.60	3.54	13.22
58	13.62	0.83	3.65	3.56	13.62
59	14.03	0.85	3.71	3.58	14.03
60	14.46	0.88	3.76	3.60	14.46
61	14.92	0.90	3.81	3.63	14.92
62	15.39	0.93	3.85	3.65	15.39
63	15.89	0.96	3.89	3.68	15.89
64	16.42	0.99	3.92	3.79	16.42

*When calculating the deduction for GMP, the factor given should be applied to the sum of the GMP amount in respect of service up to 5 April 1988 and 15% of the GMP amount in respect of service after that date.

Local Government Pension Scheme (England and Wales)
Individual incoming and outgoing transfers

Table 5.2 – Females - all outgoing transfers, and Club transfers in

Age last birthday at relevant date	Gross Pension of £1 per annum	Lump Sum of £1	Surviving Partner's Pension of £1 pa	Adjustment for GMP of £1 pa*	Deduction for NI Modification of £1 pa
16	4.59	0.24	0.66	-0.53	4.59
17	4.72	0.25	0.68	-0.54	4.72
18	4.84	0.26	0.70	-0.56	4.84
19	4.98	0.27	0.72	-0.57	4.98
20	5.11	0.27	0.74	-0.59	5.11
21	5.25	0.28	0.76	-0.60	5.25
22	5.40	0.29	0.78	-0.62	5.40
23	5.54	0.30	0.81	-0.63	5.54
24	5.70	0.31	0.83	-0.65	5.70
25	5.85	0.32	0.85	-0.67	5.85
26	6.01	0.33	0.88	-0.68	6.01
27	6.18	0.34	0.90	-0.70	6.18
28	6.35	0.35	0.93	-0.72	6.35
29	6.52	0.36	0.95	-0.74	6.52
30	6.70	0.37	0.98	-0.75	6.70
31	6.88	0.38	1.01	-0.77	6.88
32	7.07	0.39	1.03	-0.79	7.07
33	7.26	0.40	1.06	-0.81	7.26
34	7.46	0.41	1.09	-0.83	7.46
35	7.67	0.43	1.11	-0.84	7.67
36	7.88	0.44	1.14	-0.86	7.88
37	8.10	0.45	1.17	-0.88	8.10
38	8.32	0.46	1.19	-0.90	8.32
39	8.55	0.48	1.22	-0.92	8.55
40	8.79	0.49	1.24	-0.94	8.79
41	9.03	0.51	1.27	-0.96	9.03
42	9.29	0.52	1.30	-0.98	9.29
43	9.54	0.54	1.32	-1.00	9.54
44	9.81	0.55	1.35	-1.03	9.81
45	10.09	0.57	1.37	-1.05	10.09
46	10.37	0.59	1.40	-1.07	10.37
47	10.66	0.60	1.42	-1.09	10.66
48	10.96	0.62	1.44	-1.11	10.96
49	11.27	0.64	1.46	-1.14	11.27
50	11.59	0.66	1.49	-1.16	11.59
51	11.92	0.68	1.50	-1.19	11.92
52	12.27	0.70	1.52	-1.21	12.27
53	12.62	0.72	1.54	-1.24	12.62
54	12.99	0.74	1.55	-1.27	12.99
55	13.37	0.76	1.56	-1.29	13.37
56	13.77	0.78	1.57	-1.32	13.77
57	14.18	0.80	1.58	-1.35	14.18
58	14.61	0.83	1.58	-1.38	14.61
59	15.05	0.85	1.58	-1.44	15.05
60	15.52	0.88	1.58		15.52
61	16.00	0.90	1.58		16.00
62	16.49	0.93	1.58	Use factors in	16.49
63	17.01	0.96	1.58	Tables 9.1 and	17.01
64	17.55	0.99	1.57	9.2	17.55

* The adjustment for GMP is subject to the conversion factors set out in Table 7.2, except for females aged 60 or above where the factors in Tables 9.1 and 9.2 should be used with no adjustment.

Local Government Pension Scheme (England and Wales)
 Individual incoming and outgoing transfers

Table 5.3 – Females – Non Club transfers in

Age last birthday at relevant date	Gross Pension of £1 per annum	Surviving Partner's Pension of £1 pa*	Adjustment for GMP of £1 pa
16	4.59	0.66	2.58
17	4.72	0.68	2.59
18	4.84	0.70	2.60
19	4.98	0.72	2.61
20	5.11	0.74	2.61
21	5.25	0.76	2.62
22	5.40	0.78	2.63
23	5.54	0.81	2.64
24	5.70	0.83	2.64
25	5.85	0.85	2.65
26	6.01	0.88	2.66
27	6.18	0.90	2.67
28	6.35	0.93	2.67
29	6.52	0.95	2.68
30	6.70	0.98	2.69
31	6.88	1.01	2.70
32	7.07	1.03	2.70
33	7.26	1.06	2.71
34	7.46	1.09	2.72
35	7.67	1.11	2.73
36	7.88	1.14	2.74
37	8.10	1.17	2.74
38	8.32	1.19	2.75
39	8.55	1.22	2.76
40	8.79	1.24	2.77
41	9.03	1.27	2.78
42	9.29	1.30	2.79
43	9.54	1.32	2.79
44	9.81	1.35	2.80
45	10.09	1.37	2.81
46	10.37	1.40	2.82
47	10.66	1.42	2.83
48	10.96	1.44	2.84
49	11.27	1.46	2.85
50	11.59	1.49	2.86
51	11.92	1.50	2.87
52	12.27	1.52	2.88
53	12.62	1.54	2.90
54	12.99	1.55	2.91
55	13.37	1.56	2.92
56	13.77	1.57	2.94
57	14.18	1.58	2.95
58	14.61	1.58	2.97
59	15.05	1.58	3.05
60	15.52	1.58	3.16
61	16.00	1.58	3.25
62	16.49	1.58	3.35
63	17.01	1.58	3.44
64	17.55	1.57	3.54

*When calculating the deduction for GMP, the factor given should be applied to the sum of the GMP amount in respect of service up to 5 April 1988 and 15% of the GMP amount in respect of service after that date.

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17 CRA Conversion Factors

Table 7.1a – Pension and Lump Sum Conversion Factors

Relevant Period (years)	Personal Pension	Personal Pension	Lump Sum
	(Male)	(Female)	(Both sexes)
0	1.00	1.00	1.00
1	1.06	1.05	1.03
2	1.12	1.11	1.06
3	1.18	1.17	1.09
4	1.24	1.23	1.12
5	1.31	1.29	1.15

Notes

- 1) The relevant period is the period between the CRA (or age at relevant date if greater) and age 65.
- 2) Interpolation should be used for non-integer relevant periods.

Table 7.1b – Pension and Lump Sum Conversion Factors (from NPA 65)

NPA	Personal Pension	Personal Pension
	(Male)	(Female)
65	1.00	1.00
66	0.94	0.95
67	0.88	0.89
68	0.83	0.84

Note

Interpolation should be used for non-integer pension ages.

Table 7.2 – Special female GMP conversion factors for Club or Outward CETV calculations

CRA	Pre-88 conversion factor	Post-88 conversion factor
60	-3.23	-0.47
61	-2.33	0.38
62	-1.45	1.20
63	-0.61	1.99
64	0.21	2.76
(or PA) 65	1.00	3.50

Notes

- 1) The tabulated conversion factors above should be interpolated for non-integer female CRAs.

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2) The conversion factors should be multiplied by the female GMP factors below age 59 in Table 5.2. The GMP factors in Tables 5.1, 9.1 and 9.2 do not require the application of conversion factors. The GMP factors above age 59 in Table 5.2 also do not require the application of conversion factors.

3) Following conversion, a positive GMP factor leads to a decrease in a Club or outwards CETV, but an increase in a Club incoming transfer value.

4) Following conversion, a negative GMP factor leads to an increase in a Club or outwards CETV, but a decrease in a Club incoming transfer value.

18 Early Retirement Factors

Table 8.1 – Factors to use after age 55

Years Early	Pension Reduction (%)		Retirement Grant Reduction All Members %
	Males	Females	
0	0%	0%	0%
1	6%	5%	3%
2	11%	11%	6%
3	16%	15%	8%
4	20%	20%	11%
5	25%	24%	14%
6	29%	27%	16%
7	32%	31%	19%
8	36%	34%	21%
9	39%	37%	23%
10	42%	40%	26%
11	45%	44%	N/A
12	48%	47%	N/A
13	52%	50%	N/A

Notes:

- (1) The number of *Years Early* is the period between the dates (i) and (ii) below, where:
 - (i) is the effective date of the member's election under the relevant regulations; and
 - (ii) is the date (or dates) on which the member would be entitled to unreduced benefits.
- (2) Practitioners may need to refer to this table twice (with different values of *Years Early*) when preparing calculations for Group 1, 2 or 3 members. If tapered factors are required they are derived from these two sets of factors.
- (3) If the date in (1)(i) is later than the date in (1)(ii), then it should be clear that no reductions are to be applied (to the relevant part of the membership under consideration, if applicable).
- (4) Where the number of *Years Early* is not an integer number, the reduction factors from the table should be interpolated for part years.
- (5) These factors should not be used to calculate the reductions to be applied to members aged below 55 at the date of retirement.

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19 Special factors for females above age 59

Table 9.1 – Special Club or Outward CETV pre-1988 GMP factors for females transferring above age 59

Age last birthday at relevant date	CRA or PA					
	60	61	62	63	64	65
60	3.16	2.67	1.70	0.77	-0.14	-1.01
61	3.25	3.25	2.76	1.79	0.86	-0.05
62	3.35	3.35	3.35	2.85	1.89	0.95
63	3.44	3.44	3.44	3.44	2.95	1.98
64	3.54	3.54	3.54	3.54	3.54	3.05

Notes

- 1) The tabulated factors above should be interpolated between columns for non-integral female CRAs.
- 2) When calculating the adjustment for GMP for females aged 60 or above, the factors above should be applied to the annual amount of the pre-1988 GMP after late retirement increase of 1/7% per week.
- 3) A positive GMP factor leads to a decrease in a Club or outwards CETV, but an increase in a Club incoming transfer value.
- 4) A negative GMP factor leads to an increase in a Club or outwards CETV, but a decrease in a Club incoming transfer value.

Table 9.2 – Special Club or Outward CETV post-1988 GMP factors for females transferring above age 59

Age last birthday at relevant date	CRA or PA					
	60	61	62	63	64	65
60	0.47	0.01	-0.96	-1.90	-2.80	-3.68
61	0.49	0.49	0.02	-0.95	-1.88	-2.79
62	0.50	0.50	0.50	0.03	-0.93	-1.87
63	0.52	0.52	0.52	0.52	0.05	-0.92
64	0.53	0.53	0.53	0.53	0.53	0.07

Notes

- 1) The tabulated factors above should be interpolated between columns for non-integral female CRAs
- 2) When calculating the adjustment for GMP for females aged 60 or above, the factors above should be applied to the annual amount of the post-1988 GMP after late retirement increase of 1/7% per week and scheme annual increases on the post-1988 GMP at the statutory level, i.e. capped at 3% pa.
- 3) A positive GMP factor leads to a decrease in a Club or outwards CETV, but an increase in a Club incoming transfer value.
- 4) A negative GMP factor leads to an increase in a Club or outwards CETV, but a decrease in a Club incoming transfer value.

Appendix A – Cited regulations

A.1 Excerpts from the 2013 Regulations

Award of additional pension

31.—

- (1) A Scheme employer may resolve to award—
- (a) an active member, or
 - (b) a member who was an active member who was dismissed by reason of redundancy, or business efficiency, or whose employment was terminated by mutual consent on grounds of business efficiency,

additional annual pension of, in total (including any additional pension purchased by the Scheme employer under regulation 16), not more than the additional pension limit payable from the same date as any pension payable under other provisions of these Regulations from the pension account to which the additional pension is attached, provided that, in the case of a member falling within sub-paragraph (b), the resolution to award additional pension is made within 6 months of the date the member's employment ended.

...

Rights to payment out of pension fund

96. —

- (1) A member may apply for a transfer under Chapter 4 or 5 of Part 4 of the Pension Schemes Act 1993 and where the member does so the amount of any transfer payment due in respect of the member under the relevant transfer may only be paid by the administering authority from its pension fund if the transfer payment is a recognised transfer (within the meaning of section 169 of the Finance Act 2004).
- (2) Where such a transfer payment is to be or has been paid from a fund, no other payment or transfer of assets may be made from the fund as respects the accrued rights covered by the transfer payment.
- (3) Paragraph (2) overrides anything to the contrary in these Regulations.

Inward transfers of pension rights

100. —

- (1) An active member with relevant pension rights may request the appropriate administering authority to accept a transfer value for some or all of those rights from the relevant transferor.
- (2) Relevant pension rights are-
- (a) accrued rights under a registered pension scheme other than rights to benefits under the scheme which are attributable (directly or indirectly) to a pension credit; and

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- (b) accrued rights under a European pensions institution.
- (3) Accrued rights under a registered pension scheme include rights to preserved benefits and rights appropriately secured under section 19 of the Pension Schemes Act 1993.
- (4) The relevant transferor is the trustees or managers of the scheme under which the transferring person's relevant pension rights arise.
- (5) But the relevant transferor for the rights specified in paragraph (3) is the trustees and managers of the scheme, or the insurance company, to which a payment in respect of the person's accrued rights has been made.
- (6) A request from a transferring person under paragraph (1) must be made by notice in writing given to the appropriate administering authority and the Scheme employer before the expiry of the period of 12 months beginning with the date on which the person first became an active member in an employment (or such longer period as the Scheme employer and administering authority may allow).
- (7) Where a request under paragraph (1) is duly made, the administering authority may accept the transfer value and credit it to its pension fund.

Effect of acceptance of transfer value

101. —

- (1) Where a transfer value has been accepted under regulation 100 (inward transfer of pension rights), the administering authority must credit the active member's pension account with the appropriate amount of earned pension.
- (2) The calculation of the appropriate amount of earned pension for the purposes of paragraph (1) is to be in accordance with actuarial guidance issued by the Secretary of State.

A.2 Excerpts from the 2014 Scheme Transitional Regulations

Transfers

9. —

- (1) Where a transfer payment is received into the 2014 Scheme in respect of a person from a different public service pension scheme which includes a payment in respect of service before 1st April 2015 which would have entitled the person to final salary benefits in that scheme, such payment shall entitle that person to benefits under the 2014 Scheme as if they were payable as final salary benefits under the 2008 Scheme so long as the person in respect of whom the transfer payment is received has had no continuous break in active membership of any public service pension scheme of more than five years.

...

Appendix B – Limitations

- B.1 This note should not be used for any purpose other than for guidance in the calculation of transfer values and pension or service credits for a transfer-in.
- B.2 The factors contained in this note are subject to regular review. Administrators need to ensure that they are using the latest factors, as relevant, when processing cases.
- B.3 This note should be considered in its entirety as individual sections, if considered in isolation, may be misleading, and conclusions reached by a review of some sections on their own may be incorrect.
- B.4 This note only covers the actuarial principles around the calculation of transfer values and pension or service credits for a transfer-in. Any legal advice in this area should be sought from an appropriately qualified person or source.
- B.5 Administrators should satisfy themselves that the transfer values and pension or service credits calculated comply with all legislative requirements including, but not limited to, tax and contracting out requirements.
- B.6 This guidance is based on the Regulations in force at the time of writing. It is possible that future changes to the Regulations might create inconsistencies between this guidance and the Regulations. If users of this guidance believe there to be any such inconsistencies, they should bring this to the attention of DCLG. In no circumstances should this guidance take precedence over the Regulations. Administrators should ensure that they comply with all relevant Regulations.