



Government Actuary's Department

Local Government Pension Scheme (Scotland)

Use of accumulated AVCs to provide additional pension under the Scheme

Date: 26 February 2015

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1 Introduction

- 1.1 The Scottish Ministers are required under the Local Government Pension Scheme (Scotland) Regulations 2014 ('the 2014 Regulations') (SSI 2014/164), to issue actuarial guidance on the calculation of additional pension payable from the Scheme to a retiring member arising from any additional voluntary contributions that are not taken as cash or used to arrange a drawdown facility or to secure an annuity with an insurance company.
- 1.2 The remainder of this introduction contains:
- > details of the implementation and future review of this guidance, and
 - > statements about third party reliance and liability
- 1.3 In the remainder of this note:
- > Section 2 describes the calculation of the pension deriving from the member's AVCs
 - > Section 3 describes the benefits purchased
 - > Sections 4 and 5 set out the factors applicable where retirement is in normal and ill health respectively
 - > Appendix A quotes the relevant statutory references
 - > Appendix B sets out some important limitations
- 1.4 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

- 1.5 The Scottish Ministers are required to consult the Scheme Actuary before issuing actuarial guidance under the 2014 Regulations [Regulation 2(3) of the 2014 Regulations].
- 1.6 As part of this consultation the Scottish Public Pension Agency (SPPA) has asked GAD, as Scheme Actuary, 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.
- 1.7 This note has effect only when this guidance is issued by the Scottish Ministers in accordance with Regulation 2(3) of the 2014 Regulations, and is subject to the implementation instructions provided at that time.

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



- 1.8 This guidance replaces the previous guidance dated 23 March 2012 (together with the revised factors issued on 21 May 2014) but uses the same assumptions on which that guidance was based.
- 1.9 This guidance has been written for pension administrators and assumes some knowledge of general pension terminology, and some familiarity with retirement calculations for the Local Government Pension Scheme. Any questions concerning the application of the guidance should, in the first instance, be referred to SPPA.
- 1.10 The factors contained in this note should be reviewed periodically. This will depend on external circumstances, for example when the LGPS cash equivalent transfer value basis is reviewed; when changes in the actuarial assumptions adopted for other scheme factors take place; or following each triennial cycle of future valuations of the LGPS.

Use of this note

- 1.11 This note has been prepared for SPPA 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.
- 1.12 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

- 1.13 When issued by the Scottish Ministers in accordance with paragraph 1.7 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 Calculation of additional pension

- 2.1 The tables included in this note provide the amounts of additional pension payable to a member for each £100 of accumulated AVCs, according to the member's age at the date the member becomes entitled to the immediate payment of retirement benefits.
- 2.2 Table 1 applies to members who become entitled to the immediate payment of retirement benefits under Regulation 29 of the 2014 Regulations. Requests for Table 1 factors for members under age 55 should be made to SPPA for onward transmission to GAD.
- 2.3 Table 2 applies to members who become entitled to an ill-health pension under Regulation 34 of the 2014 Regulations. Requests for Table 2 factors for members under age 30 should be made to SPPA for onward transmission to GAD.
- 2.4 Separate factors are provided for men and women.
- 2.5 An example calculation is provided below:

Example: Retirement in Normal Health

Member Details

Date of Birth	18 May 1951
Sex	Male
Date of election	30 June 2015
Amount of AVC fund	£20,000.00
Age at date of election	64 years 1 month
Amount of additional annual pension for every £100 of AVCs (from Table 1)	£5.79
Amount of additional annual pension for an AVC fund of £20,000.00	$£20,000.00 \times 5.79 / 100 = £1,158.00$ pa



3 Benefits purchased from AVC funds

- 3.1 The additional pension is payable from the date used in the calculation. Increases after the date of commencement should be granted in accordance with the Pensions Increase Acts.
- 3.2 The benefits provided to a member awarded additional pension are not fully specified in the regulations. However, SPPA has confirmed the details of additional pension benefits described below.
- 3.3 A member will receive the following benefits:

Own benefits

- 3.4 The total pension awarded will be increased by the rate of additional pension purchased.
- 3.5 The additional pension may not be commuted for cash. If a member wishes to take some of his AVCs as a lump sum that part of the fund should not be converted to scheme pension.
- 3.6 On death in retirement before age 75 a lump sum is payable equal to ten times the annual rate of additional pension in payment before death, less the amount of additional pension already paid.
- 3.7 The additional pension is increased in accordance with the Pensions Increase Acts.

Dependants' benefits

- 3.8 The following additional benefits will be paid on the death of the member.
- 3.9 The additional spouse, civil partner or nominated cohabiting partner's pension is 30.625% (ie 49/160ths) of the rate of additional member's pension purchased, in accordance with Regulation 45 of the 2014 Regulations.
- 3.10 The child's additional pension is 15.3125% (ie 49/320ths of the member's additional pension if there is one eligible child. If there are two or more eligible children then the total children's pension awarded is 30.625% (ie 49/160ths) of the member's additional pension and is shared equally between the eligible children, in accordance with Regulation 46 of the 2014 Regulations.
- 3.11 If there is no pension payable to an eligible spouse, civil partner or nominated cohabiting partner, then each additional child's pension is increased to a level one-third higher than that shown in 3.10 above, in accordance with Regulation 46 of the 2014 Regulations.
- 3.12 The dependant's additional pension is increased before it comes into payment on the same basis as applies to the member's pension. Once in payment, the dependant's additional pension is increased in accordance with the Pensions Increase Acts.



4 Factors for members retiring in normal health

Table 1 – Amount of additional annual pension for every £100 of accumulated AVCs

Age at date member draws benefits from the AVC arrangement under Regulation 17(7), <i>in years and complete months</i>		Pension (£ p.a.)	
from	to	male	female
55 years and 0 months	55 years and 5 months	4.76	4.68
<i>55 years and 6 months</i>	<i>55 years and 11 months</i>	4.80	4.72
56 years and 0 months	56 years and 5 months	4.85	4.76
<i>56 years and 6 months</i>	<i>56 years and 11 months</i>	4.89	4.80
57 years and 0 months	57 years and 5 months	4.94	4.84
<i>57 years and 6 months</i>	<i>57 years and 11 months</i>	4.99	4.89
58 years and 0 months	58 years and 5 months	5.04	4.93
<i>58 years and 6 months</i>	<i>58 years and 11 months</i>	5.09	4.98
59 years and 0 months	59 years and 5 months	5.15	5.03
<i>59 years and 6 months</i>	<i>59 years and 11 months</i>	5.20	5.08
60 years and 0 months	60 years and 5 months	5.26	5.14
<i>60 years and 6 months</i>	<i>60 years and 11 months</i>	5.32	5.19
61 years and 0 months	61 years and 5 months	5.38	5.25
<i>61 years and 6 months</i>	<i>61 years and 11 months</i>	5.44	5.31
62 years and 0 months	62 years and 5 months	5.51	5.37
<i>62 years and 6 months</i>	<i>62 years and 11 months</i>	5.57	5.43
63 years and 0 months	63 years and 5 months	5.64	5.50
<i>63 years and 6 months</i>	<i>63 years and 11 months</i>	5.72	5.56



Age at date member draws benefits from the AVC arrangement under Regulation 17(7), <i>in years and complete months</i>		Pension (£ p.a.)	
from	to	male	female
64 years and 0 months	64 years and 5 months	5.79	5.63
<i>64 years and 6 months</i>	<i>64 years and 11 months</i>	5.87	5.71
65 years and 0 months	65 years and 5 months	5.96	5.78
<i>65 years and 6 months</i>	<i>65 years and 11 months</i>	6.04	5.87
66 years and 0 months	66 years and 5 months	6.13	5.95
<i>66 years and 6 months</i>	<i>66 years and 11 months</i>	6.22	6.04
67 years and 0 months	67 years and 5 months	6.32	6.13
<i>67 years and 6 months</i>	<i>67 years and 11 months</i>	6.42	6.22
68 years and 0 months	68 years and 5 months	6.53	6.32
<i>68 years and 6 months</i>	<i>68 years and 11 months</i>	6.64	6.42
69 years and 0 months	69 years and 5 months	6.76	6.53
<i>69 years and 6 months</i>	<i>69 years and 11 months</i>	6.88	6.64
70 years and 0 months	70 years and 5 months	7.00	6.75
<i>70 years and 6 months</i>	<i>70 years and 11 months</i>	7.13	6.87
71 years and 0 months	71 years and 5 months	7.27	7.00
<i>71 years and 6 months</i>	<i>71 years and 11 months</i>	7.41	7.13
72 years and 0 months	72 years and 5 months	7.56	7.27
<i>72 years and 6 months</i>	<i>72 years and 11 months</i>	7.71	7.41
73 years and 0 months	73 years and 5 months	7.87	7.56
<i>73 years and 6 months</i>	<i>73 years and 11 months</i>	8.04	7.72
74 years and 0 months	74 years and 5 months	8.21	7.88
<i>74 years and 6 months</i>	<i>74 years and 11 months</i>	8.39	8.05



5 Factors for members retiring in ill health

Table 2 – Amount of additional annual pension for every £100 of accumulated AVCs

Age at date member draws benefits from the AVC arrangement under Regulation 17(7), <i>in years and complete months</i>		Pension (£ p.a.)	
from	to	male	female
30 years and 0 months	30 years and 5 months	4.02	3.91
<i>30 years and 6 months</i>	<i>30 years and 11 months</i>	4.04	3.92
31 years and 0 months	31 years and 5 months	4.05	3.94
<i>31 years and 6 months</i>	<i>31 years and 11 months</i>	4.07	3.95
32 years and 0 months	32 years and 5 months	4.08	3.96
<i>32 years and 6 months</i>	<i>32 years and 11 months</i>	4.10	3.98
33 years and 0 months	33 years and 5 months	4.11	3.99
<i>33 years and 6 months</i>	<i>33 years and 11 months</i>	4.13	4.01
34 years and 0 months	34 years and 5 months	4.15	4.02
<i>34 years and 6 months</i>	<i>34 years and 11 months</i>	4.16	4.04
35 years and 0 months	35 years and 5 months	4.18	4.06
<i>35 years and 6 months</i>	<i>35 years and 11 months</i>	4.19	4.07
36 years and 0 months	36 years and 5 months	4.21	4.09
<i>36 years and 6 months</i>	<i>36 years and 11 months</i>	4.22	4.11
37 years and 0 months	37 years and 5 months	4.24	4.12
<i>37 years and 6 months</i>	<i>37 years and 11 months</i>	4.26	4.14
38 years and 0 months	38 years and 5 months	4.27	4.16
<i>38 years and 6 months</i>	<i>38 years and 11 months</i>	4.29	4.18
39 years and 0 months	39 years and 5 months	4.31	4.19
<i>39 years and 6 months</i>	<i>39 years and 11 months</i>	4.33	4.21



Age at date member draws benefits from the AVC arrangement under Regulation 17(7), <i>in years and complete months</i>		Pension (£ p.a.)	
from	to	male	female
40 years and 0 months	40 years and 5 months	4.35	4.23
<i>40 years and 6 months</i>	<i>40 years and 11 months</i>	4.36	4.25
41 years and 0 months	41 years and 5 months	4.38	4.27
<i>41 years and 6 months</i>	<i>41 years and 11 months</i>	4.40	4.29
42 years and 0 months	42 years and 5 months	4.42	4.31
<i>42 years and 6 months</i>	<i>42 years and 11 months</i>	4.45	4.34
43 years and 0 months	43 years and 5 months	4.47	4.36
<i>43 years and 6 months</i>	<i>43 years and 11 months</i>	4.49	4.38
44 years and 0 months	44 years and 5 months	4.52	4.41
<i>44 years and 6 months</i>	<i>44 years and 11 months</i>	4.54	4.43
45 years and 0 months	45 years and 5 months	4.57	4.46
<i>45 years and 6 months</i>	<i>45 years and 11 months</i>	4.60	4.49
46 years and 0 months	46 years and 5 months	4.62	4.51
<i>46 years and 6 months</i>	<i>46 years and 11 months</i>	4.65	4.54
47 years and 0 months	47 years and 5 months	4.69	4.57
<i>47 years and 6 months</i>	<i>47 years and 11 months</i>	4.72	4.60
48 years and 0 months	48 years and 5 months	4.75	4.63
<i>48 years and 6 months</i>	<i>48 years and 11 months</i>	4.79	4.67
49 years and 0 months	49 years and 5 months	4.82	4.70
<i>49 years and 6 months</i>	<i>49 years and 11 months</i>	4.86	4.73
50 years and 0 months	50 years and 5 months	4.90	4.77
<i>50 years and 6 months</i>	<i>50 years and 11 months</i>	4.94	4.80



Age at date member draws benefits from the AVC arrangement under Regulation 17(7), <i>in years and complete months</i>		Pension (£ p.a.)	
from	to	male	female
51 years and 0 months	51 years and 5 months	4.98	4.84
<i>51 years and 6 months</i>	<i>51 years and 11 months</i>	5.02	4.88
52 years and 0 months	52 years and 5 months	5.07	4.91
<i>52 years and 6 months</i>	<i>52 years and 11 months</i>	5.11	4.95
53 years and 0 months	53 years and 5 months	5.16	4.99
<i>53 years and 6 months</i>	<i>53 years and 11 months</i>	5.21	5.04
54 years and 0 months	54 years and 5 months	5.25	5.08
<i>54 years and 6 months</i>	<i>54 years and 11 months</i>	5.30	5.12
55 years and 0 months	55 years and 5 months	5.36	5.17
<i>55 years and 6 months</i>	<i>55 years and 11 months</i>	5.41	5.22
56 years and 0 months	56 years and 5 months	5.46	5.26
<i>56 years and 6 months</i>	<i>56 years and 11 months</i>	5.52	5.31
57 years and 0 months	57 years and 5 months	5.57	5.36
<i>57 years and 6 months</i>	<i>57 years and 11 months</i>	5.63	5.42
58 years and 0 months	58 years and 5 months	5.69	5.47
<i>58 years and 6 months</i>	<i>58 years and 11 months</i>	5.75	5.53
59 years and 0 months	59 years and 5 months	5.82	5.59
<i>59 years and 6 months</i>	<i>59 years and 11 months</i>	5.88	5.65
60 years and 0 months	60 years and 5 months	5.95	5.71
<i>60 years and 6 months</i>	<i>60 years and 11 months</i>	6.02	5.78
61 years and 0 months	61 years and 5 months	6.09	5.85
<i>61 years and 6 months</i>	<i>61 years and 11 months</i>	6.16	5.92



Age at date member draws benefits from the AVC arrangement under Regulation 17(7), <i>in years and complete months</i>		Pension (£ p.a.)	
from	to	male	female
62 years and 0 months	62 years and 5 months	6.24	5.99
<i>62 years and 6 months</i>	<i>62 years and 11 months</i>	6.32	6.07
63 years and 0 months	63 years and 5 months	6.40	6.15
<i>63 years and 6 months</i>	<i>63 years and 11 months</i>	6.49	6.23
64 years and 0 months	64 years and 5 months	6.58	6.32
<i>64 years and 6 months</i>	<i>64 years and 11 months</i>	6.68	6.41
65 years and 0 months	65 years and 5 months	6.77	6.51
<i>65 years and 6 months</i>	<i>65 years and 11 months</i>	6.88	6.61
66 years and 0 months	66 years and 5 months	6.98	6.71
<i>66 years and 6 months</i>	<i>66 years and 11 months</i>	7.10	6.82
67 years and 0 months	67 years and 5 months	7.21	6.94
<i>67 years and 6 months</i>	<i>67 years and 11 months</i>	7.33	7.06
68 years and 0 months	68 years and 5 months	7.46	7.19
<i>68 years and 6 months</i>	<i>68 years and 11 months</i>	7.59	7.32
69 years and 0 months	69 years and 5 months	7.73	7.45
<i>69 years and 6 months</i>	<i>69 years and 11 months</i>	7.87	7.60
70 years and 0 months	70 years and 5 months	8.02	7.75
<i>70 years and 6 months</i>	<i>70 years and 11 months</i>	8.18	7.90
71 years and 0 months	71 years and 5 months	8.34	8.06
<i>71 years and 6 months</i>	<i>71 years and 11 months</i>	8.50	8.23
72 years and 0 months	72 years and 5 months	8.67	8.41
<i>72 years and 6 months</i>	<i>72 years and 11 months</i>	8.85	8.59



Age at date member draws benefits from the AVC arrangement under Regulation 17(7), <i>in years and complete months</i>		Pension (£ p.a.)	
from	to	male	female
73 years and 0 months	73 years and 5 months	9.04	8.79
<i>73 years and 6 months</i>	<i>73 years and 11 months</i>	9.23	8.99
74 years and 0 months	74 years and 5 months	9.43	9.20
<i>74 years and 6 months</i>	<i>74 years and 11 months</i>	9.64	9.42



Appendix A: Cited Regulations

A.1 Excerpts from the 2014 Regulations²

Introductory

2.—

(3) The Scottish Ministers may, after consultation with the Scheme Actuary, issue actuarial guidance to administering authorities.

Additional voluntary contributions

17. —

...

(7) If a member draws benefits under regulation 29(1), (2), (4), (5), (7), (10) to (12) (retirement benefits) or regulation 34(1) (early payment of retirement pension on ill-health grounds: active members) or, if a member who draws benefits under regulation 29(6) (flexible retirement) makes an election to draw the realisable value in the AVC arrangement at the same time, that member must notify the appropriate administering authority that the realisable value under arrangements made under this regulation—

- (a) is to be taken in full or in part by the member as a lump sum, and where only part is taken as a lump sum, the member must specify the amount to be so taken; and
- (b) to the extent that the realisable value has not been taken as a lump sum, it is to be used—
 - (i) to purchase additional pension under the Scheme, the amount of which is to be determined by the administering authority in accordance with actuarial guidance issued by the Scottish Ministers, or
 - (ii) to the extent that it has not been used to purchase additional pension under the Scheme, to purchase an annuity from one or more insurance companies (within the meaning of section 275 of the Finance Act 2004).

Retirement benefits

29.—

(1) Subject to paragraph (3), a member who attains normal pension age and is not an employee in local government service at that time is entitled to immediate payment of a retirement pension without reduction.

² The Local Government Pension Scheme (Scotland) Regulations 2014 (SSI 2014/164)



(2) A member to whom paragraph (1) applies and who has concurrent employments may draw a pension in relation to an employment so long as the member is not an employee in local government service in relation to that employment.

(3) A member to whom paragraph (1) applies may elect to defer payment of a retirement pension to a date after that member's normal pension age up to the date when that member attains the age of 75.

(4) A member who starts to receive payment of a retirement pension from a date after that member's normal pension age is entitled to enhancement of the pension by the amount shown as appropriate in actuarial guidance issued by the Scottish Ministers.

(5) Subject to paragraph (13) a member who has not attained normal pension age but who has attained the age of 55 or over, may elect to receive immediate payment of a retirement pension in relation to an employment if that member is not an employee in local government service in that employment, but the amount of the retirement pension must be reduced by the amount shown as appropriate in actuarial guidance issued by the Scottish Ministers.

(6) An active member who has attained the age of 55 or over who reduces working hours or grade of an employment may, with the Scheme employer's consent, elect to receive immediate payment of all or part of the retirement pension to which that member would be entitled in respect of that employment if that member were not an employee in local government service on the date of the reduction in hours or grade, adjusted by the amount shown as appropriate in actuarial guidance issued by the Scottish Ministers.

(7) Where an active member who has attained the age of 55 or over is dismissed from an employment by reason of redundancy or business efficiency, or whose employment is terminated by mutual consent on grounds of business efficiency, that member is entitled to, and must take immediate payment of—

- (a) retirement pension relating to that employment payable under regulation 16 (additional pension contributions), adjusted by the amount shown as appropriate in actuarial guidance issued by the Scottish Ministers; and
- (b) any other retirement pension relating to that active membership payable under these Regulations, without reduction.

...

(10) Subject to paragraph (11), a pension credit member who attains normal pension age is entitled to, and must take, immediate payment of a retirement pension deriving from the pension credit, without reduction, irrespective of whether that pension credit member is also an employee in local government service.

(11) A pension credit member may, before reaching normal pension age, elect to defer payment of a retirement pension deriving from a pension credit to a date after that member's normal pension age and, if the member does so, is entitled to immediate payment of a retirement pension from any date up to the date when that member attains the age of 75, enhanced by the amount shown as appropriate in actuarial guidance issued by the Scottish Ministers, irrespective of whether the pension credit member is also an employee in local government service.



(12) A pension credit member who has attained the age of 55 or over may elect to receive immediate payment of a retirement pension deriving from the pension credit, reduced by the amount shown as appropriate in actuarial guidance issued by the Scottish Ministers, irrespective of whether the pension credit member is also an employee in local government service.

(13) An election under paragraph (5) made by a member aged less than 60 is ineffective without the consent of the member's—

- (a) employing authority;
- (b) former employing authority; or
- (c) appropriate administering authority where the member's former employing authority has ceased to be a Scheme employer.

Early payment of retirement pension on ill-health grounds: active members

34.—

(1) An active member who has qualifying service for a period of two years and whose employment is terminated by a Scheme employer on the grounds of ill-health or infirmity of mind or body before that member reaches age 65, is entitled to, and must take, early payment of a retirement pension if that member satisfies the condition in paragraph (3) of this regulation.

Survivor benefits: partners of pensioner members

45.—

(1) If a pensioner member (other than a pensioner member where the pension the member was in receipt of was derived from a pension credit) dies leaving a surviving spouse, civil partner or cohabiting partner, that person is entitled to a pension which shall come into payment on the day following the member's death.

...

(3) The opening balance of the survivor member's pension account is the amount of pension payable to the survivor calculated in accordance with paragraph (4).

(4) The amount of a pension payable under paragraph (3) is calculated by adding together the pension that the member would have been entitled to draw on the date of the member's death if—

...

- (e) the pension included 49/160 of any additional pension purchased under regulation 17(7)(b)(i) (additional voluntary contributions) which included provision for a survivor's pension

Survivor benefits: children of pensioner members

46.—

(1) If a pensioner member (other than a pensioner member where the pension the member was in receipt of was derived from a pension credit) dies leaving one or more eligible children, they are entitled to a children's pension which shall come into payment on the day following the member's death.



...

(4) The amount of pension payable under paragraph (3) where there is only one such child is calculated by adding together the pension that the member would have been entitled to draw on the date of the member's death if—

...

- (f) the pension included 49/320 of any additional pension purchased under regulation 17(7)(b)(i) (additional voluntary contributions) which included provision for a survivor's pension

(5) The amount of pension payable under paragraph (3) where there is more than one such child, is payable to those children in equal shares and is calculated by adding together the pension that the member would have been entitled to draw on the date of the member's death if—

...

- (f) the pension included 49/160 of any additional pension purchased under regulation 17(7)(b)(i) (additional voluntary contributions) which included provision for a survivor's pension

...

(7) If, on the day following the member's death, no pension is payable to a partner of a pensioner member under regulation 45(1), the appropriate administering authority shall close the pensioner member's pension account and shall open a survivor member's pension account for the eligible child or children from the day following the member's death.

(8) The opening balance of a survivor member's pension account opened under paragraph (7) is the amount of pension payable to the eligible child or children, calculated in accordance with paragraph (9) or (10).

(9) The amount of pension payable under paragraph (8) where there is only one such child is calculated by adding together the pension that the member would have been entitled to draw on the date of the member's death if—

...

- (f) the pension included 49/240 of any additional pension purchased under regulation 17(7)(b)(i) (additional voluntary contributions) which included provision for a survivor's pension

(10) The amount of pension payable under paragraph (8) where there is more than one such child, is payable to those children in equal shares and is calculated by adding together the pension that the member would have been entitled to draw if—

...

- (f) the pension included 49/120 of any additional pension purchased under regulation 17(7)(b)(i) (additional voluntary contributions) which included provision for a survivor's pension



Appendix B: Limitations

- B.1 This note should not be used for any purpose other than to determine the additional pension due to a member's AVCs in accordance with the regulations cited above.
- 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 additional pension from a member's AVCs. Any legal advice in this area should be sought from an appropriately qualified person or source.
- B.5 Administrators should satisfy themselves that the additional pension from a member's AVCs flexible retirement complies 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 the Scottish Public Pensions Agency (SPPA). In no circumstances should this guidance take precedence over the Regulations. Administrators should ensure that they comply with all relevant Regulations.