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LGPS (Scotland) Pension Scheme: actuarial factors and guidance

Section A: Guidance in force from 1 April 2015

The guidance in this section relates to the following regulations:

- The Local Government Pension Scheme (Scotland) Regulations 2014 SSI 2014 No. 164 ('LGPS 2014')
- The Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 SSI 2014 No. 233 ('Trans 2014')
- Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 SSI 2008 No. 228 ('Admin 2008')
- Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008, SSI 2008 No. 229 ('Trans 2008')
- Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 SSI 2008 No. 230 ('Benefits 2008')
- The Local Government Pension Scheme Regulations 1998 SI No. 366 ('LGPS 1998')

The following guidance is in force (once issued by the Scottish Ministers ^{note 1})

| Title of guidance document | Date of document | Statutory References |
|--|---|---|
| Purchase of additional pension – elections on or after 1 April 2015 | 26 February 2015 | LGPS 2014: 16(7), 16(8), 16(12), 16(15), 66(3) |
| Purchase of additional pension – contracts commencing after 1 April 2012 [but before 1 April 2015] | 1 April 2012 (Addendum with new factors issued 6 March 2014) | Benefits 2008: 14(3) Admin 2008: 20(6), 21(3), 36(3) |
| Purchase of additional pension – contracts commencing before 1 April 2012 | 13 March 2013 (Addendum with new factors issued 6 March 2014) | Benefits 2008: 14(3) Admin 2008: 20(6), 21(3), 36(3) |

| Title of guidance document | Date of document | Statutory References |
|---|---|--|
| Factors to use for Purchase of Additional Survivor Benefits (elections before 1 April 2015) | 16 July 2012 (Addendum issued 3 July 2013) | Benefits 2008: 14A(4) Admin 2008: 21A(6), 21B(3) |
| Early Payment of Pension | 26 February 2015 | LGPS 2014: 29(5), 29(6), 29(7)(a), 29(12) Benefits 2008: 14(3), 18(3), 30(4) Trans 2008: 3(2)(b) |
| Late Retirement | 26 February 2015 | LGPS 2014: 29(4) Benefits 2008: 14(3), 17(2), 29(5) |
| Flexible retirement | 26 February 2015 | LGPS 2014: 27(4), 29(6) Trans2014: 11(3)(d) Benefits 2008: 18(9) |
| Limit on Additional Cash Commutation | 26 February 2015 | LGPS 2014: 32(3) Benefits 2008: 21(4) |
| Limit on Total Amount of Benefits – Lifetime Allowance (including scheme pays LTAC) | 26 February 2015 | LGPS 2014: 48(1), 48(3) Trans 2014: 4(5)(f), 4(6)(d) Benefits 2008: 22(1), 22(3) |
| Trivial Commutation | 26 February 2015 | LGPS 2014: 33(2) Benefits 2008: 39(2) |
| Application of a pension debit for divorced members | 26 February 2015 | LGPS 2014: 23(9), 25(5), 26(5), 50(1) Trans 2014: 4(5)(f), 4(6)(d), 20(3) Benefits 2008: 42 Admin 2008: 83(2) |
| Adjustment of transfer credits granted from accumulated AVCs | 25 October 2011 | LGPS 1998: 65(8) |
| Application of a Pension Credit to the Former Spouse or Civil Partner of the Member ^{note 2} | 26 February 2015 | LGPS 2014: 28(2), 28(4), 29(11), 29(12) Trans 2014: 20(2) |

| Title of guidance document | Date of document | Statutory References |
|---|---|--|
| Application of a Pension Credit to the Former Spouse or Civil Partner of the Member [Transfer day prior to 1 April 2015 or member left service before that date] | 20 December 2012 | Admin 2008: 89(4), 94(6) |
| Use of accumulated AVCs to provide additional pension under the Scheme | 26 February 2015 | LGPS 2014: 17(7)(b)(i) |
| Interfund transfers | 26 February 2015 | LGPS 2014: 100(2) Trans 2014: 10(2)(b), 10(4), 10(5), 10(6) |
| Annual Allowance Charges: Calculation of Scheme Pays Offset ^{note 3} | 26 February 2015 | LGPS 2014: 23(9), 84(2) Trans 2014: 4(5)(f), 4(6)(d), 16(1) |
| Annual Allowance Charges: Calculation of Scheme Pays Offset [elections made prior to 1 April 2015] | 25 February 2015 | Admin 2008: 62A(2) |
| Individual incoming and outgoing transfers | 2 April 2015 (with Factor Suite dated 26 March 2015) | LGPS 2014: 94(1) ^{note 4} , 99(2), 101(2) |
| Individual incoming and outgoing transfers [for non-Club transfers-in with effective dates prior to 1 April 2015] | 26 March 2010 (and Actuarial factors dated 22 February 2012) | Admin 2008: 74, 79 |
| Pensioner Cash Equivalent factors on divorce from 1 January 2012 <i>to be read in conjunction with:</i> Pension sharing following divorce: Calculation of Cash Equivalent | 18 January 2012 23 May 2011 | N/A |

Notes

1. Regulation 3(10) of the 2015 Scheme Transitional Regulations provides that any guidance issued by the Scheme Actuary in accordance with any provision in the Earlier Regulations is to be treated as actuarial guidance issued by the Scottish Ministers, and any reference to guidance issued by the Government Actuary in the Earlier Regulations is to be construed as a reference to actuarial guidance issued by the Scottish Ministers.
2. For use where the sharing order is dated on or after 1 April 2015 and the member had been a member of the 2015 Scheme. Where the sharing order is dated prior to 1 April 2015, or where the member had left service before 1 April 2015, the previous guidance dated 20 December 2012 should be used.

3. For elections made on and after 1 April 2015. Where elections were made before 1 April 2015, the previous guidance dated 25 February 2015 should be used
4. Regulation 2(3) of the 2014 Regulations provides that 'The Scottish Ministers may, after consultation with the Scheme Actuary, issue actuarial guidance to administering authorities.' Regulation 94(1) just refers to the cash equivalent transfer value (CETV) requirements under the Pension Schemes Act 1993, rather than specific actuarial guidance under the 2014 Regulations. However, GAD has provided detailed guidance for calculating CETVs.

Section B: Individual cases

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

If any cases do arise they should be referred to the Scottish Public Pensions Agency (SPPA) for onward transmission to GAD. If this gives rise to issues that are of general applicability then SPPA may be prepared to cover GAD's fees. Otherwise, the administering authority would need to meet GAD's fees.

| Description of rule | Statutory references |
|---------------------------------------|--|
| Payments to increase total membership | LGPS 1998: 54(5) |
| Inverse Commutation | LGPS 1998: 57(4) |
| Community scheme transferees | Trans 2008: 15(1) Admin 2008: 80(1) |

Section C: Previous guidance

The following guidance will cease to be valid once the corresponding guidance listed in section A is issued:

| Title of GAD guidance | Date Issued |
|--|--|
| Early Payment of Pension | 28 March 2012 (with Addendum issued 11 March 2014) |
| Late Retirement | 12 May 2014 |
| Flexible retirement | 16 July 2012 |
| Lifetime allowance and additional cash commutation | 5 March 2013 |
| Limit on Total Amount of Benefits – Lifetime Allowance | 5 March 2013 |

| Title of GAD guidance | Date Issued |
|--|---|
| Trivial Commutation | 18 January 2012 (with Addendum issued 21 May 2014) |
| Use of accumulated AVCs to provide additional pension under the Scheme | 23 March 2012 (with revised factors issued 21 May 2014) |
| Application of a Pension Debit for Divorced Members | 7 March 2013 |
| Interfund transfers | 5 October 2012 |

Government Actuary's Department
2 April 2015

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