



Government
Actuary's
Department

The Local Government Pension Scheme (Scotland)

Individual Incoming & Outgoing Transfers

Guidance note

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1 Introduction

- 1.1 Scottish Ministers are required under the Local Government Pension Scheme (Scotland) Regulations 2018 ('the 2018 Regulations') (SSI 2018/141), to issue actuarial guidance on the earned pension credited to a member's pension account where a transfer value has been accepted (regulations 95 and 96 of the 2018 Regulations).
- 1.2 Additionally, under Regulation 91 of the 2018 Regulations, a member may apply for a transfer payment out of the pension fund.
- 1.3 This note relates to individual transfers from and into the Local Government Pension Scheme (Scotland) (LGPS) in accordance with Regulations 91, 95 and 96 of the 2018 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 either or both final salary pension rights and CARE benefits.
- 1.4 The remainder of this introduction contains:
- Details of the implementation and future review of this guidance
 - Details about Club scheme transfers
 - Statements about the use of this note and third-party reliance
- 1.5 In the remainder of this note:
- Section 2 provides details of the revised arrangements for adjusting cash equivalents to reflect a member's GMP
 - Sections 3 to 7 describe the issues and set out the formulae for Club and non-Club transfers-out, including the additional calculations required for an eligible member where a statutory underpin applies
 - Sections 8 to 11 describe the issues and set out the formulae for Club and non-Club transfers-in
 - Section 12 describes the approaches to use where interpolation between factors is required.
 - Section 13 contains examples
 - Appendix A sets out the principal assumptions underlying the factors referenced in the guidance note
 - Appendix B sets out some important limitations



- 1.6 This guidance has been carried out in accordance with the applicable Technical Actuarial Standards: TAS 100 issued by the Financial Reporting Council (FRC). The FRC sets technical standards for actuarial work in the UK.

Regulatory legislative references

- 1.7 Regulation 91 of the 2018 Regulations sets out a member's right to a transfer payment out of the scheme under Chapter 1 or 2 of Part 4ZA of the Pension Schemes Act 1993 (as amended) provided that the payment is a recognised transfer under the meaning of Section 169 of the Finance Act 2004.
- 1.8 Under Regulation 91(1A), actuarial guidance issued by the Scottish Ministers is required to determine the value of the transfer, taking into account the member's 'provisional assumed benefits' and 'provisional underpin amount', calculated in accordance with Regulations 4I and 4J of the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 (2014 Scheme Transitional Regulations).
- 1.9 Regulation 95 of the 2018 Regulations sets out the circumstances under which a member can transfer accrued pension rights from another registered pension scheme into the LGPS scheme.
- 1.10 Upon acceptance of a transfer in from another pension arrangement, Regulation 96 of the 2018 Regulations states that the administering authority must credit the active member's pension account with the appropriate amount of earned pension. The pension credit payable upon a non-Club transfer in is to be calculated in accordance with actuarial guidance issued by Scottish Ministers.
- 1.11 Where a transfer payment is received into the 2015 Scheme in respect of a person from a different public service pension scheme, which includes a payment in respect of service that is not remediable service which would have entitled the person to final salary benefits in that scheme, such payment shall entitle that person to benefits under the 2015 Scheme as if they were payable as final salary benefits under the 2009 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 since ceasing active membership in the scheme from which the transfer payment is received (Regulation 9 of the 2014 Scheme Transitional Regulations ((SSI 2014/233))).
- 1.12 Underpin final salary benefits in the event of a Club transfer should be determined as if the Local Government Pension Scheme (Administration) (Scotland) (SSI 2008 / 228), the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations (SSI 2008 / 230) and the Local Government Pension Scheme (Transitional Provision) (Scotland) Regulations 2008 (SSI 2008/229) were in force. The final salary benefits are notional only when remediable service is transferred (except in the case where a transferring member has already exercised their deferred choice).



Implementation and Review

- 1.13 Scottish Ministers are required to consult the Scheme Actuary before issuing actuarial guidance under the 2018 Regulations [Regulation 2(3) of the 2018 Regulations].
- 1.14 As part of this consultation the Scottish Public Pensions 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.
- 1.15 SPPA has asked GAD to prepare guidance for administering authorities for the purpose of calculating transfer payments under Regulation 91 of the 2018 Regulations, including both:
- Transfer payments in respect of Club Transfers, calculated in accordance with the Club Memorandum, and
 - CETV transfer payments, calculated in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 1996 and based on assumptions set by Scottish Ministers.
- This document also sets out GAD's guidance for that purpose.
- 1.16 This note has effect only when this guidance is issued by Scottish Ministers in accordance with Regulation 2(3) of the 2018 Regulations and is subject to the implementation instructions provided at that time.
- 1.17 This note contains no factor tables, these can be found in the latest LGPS (Scotland) consolidated factors workbook as the 100 series (Club) and 200 series (non-Club) tables.
- 1.18 This guidance replaces the previous guidance dated 14 August 2020 and has been updated to set out the additional calculations required for eligible members where a statutory underpin applies.
- 1.19 This guidance has been written for pension administrators and assumes knowledge of general pension terminology, and familiarity with pension calculations for the Local Government Pension Scheme (Scotland). Any questions concerning the application of the guidance should, in the first instance, be referred to GAD, via SPPA.
- 1.20 The factors contained in this guidance will be subject to review periodically. This will depend on external circumstances, for example whenever there is a change in the SCAPE basis; when changes in the actuarial assumptions adopted for other scheme factors take place; or following each future actuarial valuation where mortality and other relevant experience is reviewed or if other credible and material information comes to light.



Further background on Club scheme transfers

- 1.21 Transfers within the public sector transfer Club are covered by the “Club Memorandum”¹ published by the Cabinet Office. This guidance is based on the 29 September 2023 version of that Memorandum which is effective from 1 October 2023. This guidance note should be read in conjunction with the Club Memorandum.
- 1.22 While the Scheme participates in the Club, 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 or the associated consolidated factors workbook.
- 1.23 Paragraph 9.4 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.
- 1.24 Under Regulation 9(1) of 2014 Scheme Transitional Regulations, where a transfer from a different public service pension scheme is received into the 2015 scheme which includes a payment in respect of service that is not remediable service which would have entitled that person to final salary benefits in that scheme, such a payment shall entitle that person to benefits under the 2015 scheme as if they were payable as final salary benefits under the 2009 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 since ceasing active membership in the scheme from which the transfer payment is received. Regulation 1(4) of the 2014 Scheme Transitional Regulations states that “Public service pension scheme” is defined in section 1 of the Pension Schemes Act 1993.
- 1.25 SPPA have confirmed that any other inwards transfer payment representing final salary benefits in respect of service that is not remediable service that satisfies the requirements to be a Club transfer should also provide a service credit in the same way that it would have done under the 2009 Scheme.
- 1.26 Treatment of contribution differences, for remediable service where applicable, upon Club scheme transfers in are set out in sections 9 and 10.

¹ <https://www.civilservicepensionscheme.org.uk/members/public-sector-transfer-club/>



Third party reliance

- 1.27 This guidance has been prepared for the use of SPPA and the scheme administrators for the purposes of demonstrating the application of the factors covered by this guidance only. This guidance may be published on the SPPA's and the scheme administration websites but must not otherwise be reproduced, distributed or communicated in whole or in part to any other person without GAD's prior written permission.
- 1.28 When issued by the Scottish ministers in accordance with paragraph 1.16 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.
- 1.29 Other than SPPA and the scheme administrators, no person or third party is entitled to place any reliance on the contents of this guidance, except to any extent explicitly stated herein. GAD has no liability to any person or third party for any action taken or for any failure to act, either in whole or in part, on the basis of this guidance, whether or not GAD has agreed to the disclosure of its advice to the third party.



2 Adjustments for Guaranteed Minimum Pension

- 2.1 The calculations and formulae in this guidance contain adjustments to reflect the inflationary increases on a member's Guaranteed Minimum Pension (GMP).
- 2.2 In line with previous guidance, our GMP adjustment factors allow for the scheme providing for full indexation increases on GMP for all members reaching State Pension Age (SPA) on or after 6 April 2016.

Club transfers

- 2.3 Since 1 March 2017, the calculation of Club transfers has not included adjustments for GMP benefits.

Non-Club cash equivalent transfer values

- 2.4 The following table summarises the GMP adjustment to be applied, depending on whether the member reached SPA before or after 6 April 2016. This is consistent with previous guidance:

	Member reached SPA on or before 5 Apr 2016	Member reached SPA on or after 6 Apr 2016
CETV – member below pension age ² for LGPS benefits	Not applicable ³	GMP adjustment (cost) per tables x-201 to x-208
CETV – member above pension age for LGPS benefits ⁴	GMP adjustment (saving) per tables x-301 to x-302	No GMP adjustment
Pensioner cash equivalent ⁴ (for divorce purposes)	GMP adjustment (saving) per tables x-301 to x-304	No GMP adjustment
Non-Club transfer in	Refer to SPPA for onward transmission to GAD ⁵	No GMP adjustment ⁶

- 2.5 The factors provided can be used for women with dates of birth between 6 April 1953 and 5 April 1955 inclusive whose Critical Retirement Date is after their 60th birthday and who have not reached either their Critical Retirement Date or normal retirement age at the relevant date. These cases no longer need to be referred to SPPA.

² Pension age for LGPS benefits refers to the benefit tranche GMP is assigned to: see section 7 for further details.

³ Only possible if effective date is before 6 April 2016; any such case should be referred to SPPA for onward transmission to GAD if the member has a GMP.

⁴ See the guidance note *Local Government Pension Scheme (Scotland): Pension Sharing Following Divorce Factors and guidance*.

⁵ Only need to refer if the member has a GMP.

⁶ Once this guidance is brought into effect there now will be no instances where GMP adjustments should be applied to transfers in (except on a case by case basis). For ease updating of administration systems, the transfer in tables in the consolidated factor workbook still contain the GMP adjustment factors, but the factor values in all these columns have been changed to zero.



3 Transfers-out (CETV and Club) – general issues

- 3.1 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

- 3.2 LGPS benefits changed from 1 April 2015. 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 2015.
- 3.3 Service between 1 April 2009 and 31 March 2015 was based on an accrual rate of 1/60th (“60ths”) with no retirement grant, whereas service before 1 April 2009 was based on an accrual rate of 1/80th (“80ths”) with a retirement grant of 3/80ths.
- 3.4 Where relevant, benefits need to be split between those relating to membership in the following periods and each element valued separately:
- before 1 April 2008;
 - between 1 April 2008 and 31 March 2009;
 - between 1 April 2009 and 31 March 2015;
 - between 1 April 2015 and 31 March 2020;
 - between 1 April 2020 and 31 March 2022; and
 - after 1 April 2022
- 3.5 In addition, some members may be subject to the statutory underpin (Regulations 4A to 4P of the 2014 Scheme Transitional Regulations) in respect of their benefits earned between 1 April 2015 and 31 March 2022. The approaches are different for CETV and Club cases and are set out in sections 4 and 5, respectively.

Changes to pension ages

- 3.6 The pension ages at which members can take their benefits unreduced can differ for different periods of service. There are three possibilities in this regard, and some members may have accrued service with more than one element:
- Critical Retirement Age (‘CRA’) (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
 - Normal Pension Age (NPA, the higher of age 65 and the member’s State Pension Age)



- 3.7 For example, some members could have accrued service based on a Critical Retirement Age (less than 65), State Pension Age, as well as age 65.
- 3.8 SPPA has confirmed that State Pension Age for the purpose of calculating transfer value factors should be as set out in legislation in force at the guarantee date.
- 3.9 The factors accommodate the NPA members will have in relation to service on and after 1 April 2015. However, in relation to benefits earned prior to 1 April 2015 which are payable by reference to a CRA below age 65, the approach is to value the benefits first using a central factor based on age 65 and then to apply a conversion factor so as to reflect the actual CRA. For each element of pre-2015 service to which a particular retirement age attaches, a separate calculation will be required using conversion factors for that specific retirement age.

Combinations of accrual rate and pension age

- 3.10 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 three categories the member belongs to (see paragraph 3.14) and the period of membership being considered (see paragraph 3.15).
- 3.11 Separate calculations will be required for each period of service with a different combination of accrual rate and pension age.
- 3.12 It may be necessary to calculate up to seven intermediate CETVs reflecting different combinations of pension age and service period. In addition, additional calculations are required for eligible members in respect of the statutory underpin.
- 3.13 If 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.
- 3.14 The three categories of members are defined below
- Group 1: A member who was an active member prior to 1 December 2006, and born on 31 March 1960 or earlier;
 - Group 2: A member who was an active member prior to 1 December 2006, and born on or after 1 April 1960; and
 - Group 3: A member who was not a member prior to 1 December 2006.
- 3.15 A member's total membership should be divided into the following Parts:
- Part A: Membership up to and including 31 March 2008
 - Part B: Membership from 1 April 2008 to 31 March 2009
 - Part C1: Membership from 1 April 2009 to 31 March 2015
 - Part C2: Membership from 1 April 2015 to 31 March 2020
 - Part D1A: Membership from 1 April 2020 to 31 March 2022



- Part D1B: Membership from 1 April 2022
- Part D2 does not relate to accrual during periods of membership, but includes benefits acquired prior to 1 April 2022 which have an NPA of 65.

The various combinations of pension age and accrual rate required to take into account during CETV calculations are as set out in Table 1.

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

	Group 1		Group 2		Group 3	
	Pension age	Accrual rate	Pension age	Accrual rate	Pension age	Accrual rate
Part A	CRA	80ths	CRA	80ths	PA65	80ths
Part B	CRA	80ths	PA65	80ths	PA65	80ths
Part C1	CRA	60ths	PA65	60ths	PA65	60ths
Part C2	CRA	CARE	NPA	CARE	NPA	CARE
Part D1A	NPA	CARE	NPA	CARE	NPA	CARE
Part D1B	NPA	CARE	NPA	CARE	NPA	CARE
Part D2	PA65	No accrual	PA65	No accrual	PA65	No accrual

Where:

- CRA is the member's 'Critical Retirement Age' as defined in paragraph 3.16 below
- NPA is the member's Normal Pension Age in the 2015 Scheme; that is State Pension Age or, if higher, age 65
- PA65 is a pension age of 65
- For the avoidance of doubt benefits accrued as Part D1A and D1B have the same retirement ages, however a statutory underpin would apply to eligible members in relation to Part D1A but not D1B.

Critical Retirement Age

- 3.16 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 2015 Scheme Transitional Regulations, subject to the limit set out in paragraph 3.17 below.
- 3.17 A member's Critical Retirement Age cannot be greater than age 65 and is taken as being subject to a minimum of age 60.

Guarantee Date

- 3.18 The relevant date for calculating a transfer value is the "guarantee date" as defined in The Occupational Pension Schemes (Transfer Values) Regulations 1996.



3.19 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 that time, the administering authority must:

- For a Club transfer, recalculate the Club transfer amount as at the date of payment. Please refer to sections 4.5, 4.6 and 4.22 of the Club Memorandum for further details.
- 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

3.20 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 described in the relevant section of this guidance document.

Eligible partner benefits used in the calculations

3.21 The pension payable to an eligible partner on the death of a member depends on a number of factors. For example, the level of benefit can vary depending on whether any marriage or civil partnership occurred before or after the member left the LGPS.

3.22 SPPA have confirmed that the calculations of Club and cash equivalent transfer values should use the same assumption on survivor entitlement for all members regardless of their gender or current relationship with a potential future survivor. The calculation should use the survivor benefit amount that would be payable to a pre-leaving female spouse (widow).

3.23 For transfer value quotations requested for the purposes of divorce proceedings, SPPA have confirmed that the survivor's benefit should be determined as the rate payable to a survivor of a post exit marriage or partnership of the same type as the relationship being dissolved.

Miscellaneous issues

3.24 A transfer-out by a councillor of CARE benefits accrued in relation to service as a councillor is always a non-club transfer, whether the receiving scheme is a Club or non-Club scheme. Any benefits from LGPS service as a non-councillor can be transferred on Club terms.



- 3.25 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, then the Club transfer should allow only for the deferred benefits to be transferred, not the benefits in payment. The latter are not transferred but remain in payment from the LGPS. GAD understands such a member is not normally entitled to an outwards CETV transfer. If a non-club CETV transfer is granted, then, similarly, the transfer should only allow for the deferred benefits. However, in the event that a member requires a CETV for divorce purposes, the value of both the uncrystallised and crystallised benefits should be considered as set out in the guidance on Pensioner Cash Equivalents on divorce.
- 3.26 The Early Retirement guidance provides instructions on how to allocate periods of membership not gained through active service to the Part A, B, C1, C2, D1A, D1B or D2 membership. Note part D1A and D1B fall under part D1 in the Early Retirement guidance.
- 3.27 Additional Pension benefits under regulations 16 (Additional pension contributions) or 30 (Award of additional pension) of the 2018 Regulations do not require an accrual rate to calculate and their value should be calculated using NPA factors. 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 2015. Additional pension benefits purchased prior to 1 April 2015 should be valued using PA65 factors.
- 3.28 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 SPPA.
- 3.29 When a member with Added Pension purchased under the final salary scheme takes an outer Club transfer to another scheme, or when a member with Added Pension purchased under the CARE scheme takes an inner Club transfer to another scheme and there are differences between the Added Pension and the earned pension in the sending scheme, the transfer value must be calculated by the sending scheme in two parts:
- The final salary element is calculated on outer Club terms, or the CARE element is calculated on inner Club terms; and
 - The added pension element is calculated on non-Club terms.
- When a member with Added Pension purchased under the CARE scheme takes an inner Club transfer to another scheme and there are no differences between the Added Pension and the earned pension in the sending scheme, the Added Pension is included in the inner-Club transfer. The Added Pension is always included in the non-remediable service part of the transfer.
- 3.30 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.



- 3.31 Where a member is over the age by reference to which an element of the transfer value is calculated (e.g. where a member is aged 61 and the CRA applicable to an element of the transfer value is age 60), the transfer value for that element should be based on immediate pension factors as set out in Club tables for Club cases (provided in the consolidated factors workbook) and GAD pensioner on divorce tables and formula for non-Club cases.
- 3.32 The transfer value is calculated using the amount of benefit that would come into payment had the member retired on the day immediately before the Calculation date (subject to 4.6 below). It should be assumed that no pension is commuted for a lump sum. Where a member is over age 65 or for benefits accrued after 31 March 2015 over SPA, the pension and retirement grant used in the calculation should include late retirement uplifts as set out in the guidance *Local Government Pension Scheme (Scotland) Late Retirement*.
- 3.33 Formulae and factors to value Protected Rights benefits have not been included in this 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 SPPA in respect of any cases in which Protected Rights calculations are required, for onward transmission to GAD.
- 3.34 A cash equivalent required for uncrystallised benefits, for the purposes of divorce, should be calculated using the factors and formulas for non-Club CETVs.
- 3.35 Inter-fund transfers should be treated according to the separate and specific guidance issued on the subject by Scottish Ministers.



4 Transfers-out (CETV-specific issues)

- 4.1 Under Chapters 1 and 2 of Part 4ZA of the Pension Schemes Act 1993, certain members are entitled to a statement of entitlement in relation to a cash equivalent, or to notification of right to a cash transfer sum. Under Chapter 1 of Part IV of the Welfare Reform and Pensions Act 1999, certain members are entitled to a statement of the cash equivalent of their benefits for the purpose of divorce or dissolution of a civil partnership.
- 4.2 If the fund has previously received a non-Club transfer-in 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 value received plus member contributions paid to the LGPS.

Pension debit and pension offset members

- 4.3 For members with one or more pension debits resulting from divorce and/or one or more pension offsets resulting from any "Scheme Pays" elections, the transfer value calculation is calculated in two stages:
- 4.3.1 First, a gross transfer value should be calculated ignoring the pension debits and pension offsets.
- 4.3.2 Second, the value of each pension debit and/or pension offset should be calculated (i.e. the transfer value of a deferred pension of the same amount as the pension debit or offset applicable at PA65 or NPA as appropriate). The transfer value quoted and paid is the net amount: the gross transfer value less the value of all of the pension debits and pension offsets.

European Union scheme transfers

- 4.4 European Union scheme transfers under regulation 91 or 95 of the 2018 Regulations should be calculated as a normal non-Club CETV. The administrator should ensure that they follow the appropriate process for a transfer to the EU scheme, including obtaining any necessary mandates from the member. Funds should ensure that they take all necessary legal advice when processing European Union scheme transfers.

Statutory underpin

- 4.5 Regulation 91(1A) of the 2018 Regulations specifies that the value of a transfer under Regulation 91(1) should take into account the member's provisional assumed benefits and provisional underpin amount, calculated in accordance with regulations 4I and 4J of the 2014 Scheme Transitional Regulations.
- 4.6 For an eligible member where the statutory underpin applies, the following additional steps should be taken to allow for the possible value of the underpin in the member's CETV amount. In particular, where a member is over their CRA (or NPA as relevant) for all or part of their benefits built up in the remedy period, any underpin amount should be ignored in calculating the relevant pension figures for this purpose, Steps 4.8 – 4.15 should be followed to allow for the value of the underpin in the CETV.



4.7 This calculation requires details of the member's **provisional assumed benefits** and **provisional underpin amount** as calculated in line with regulations 4I and 4J of the 2014 Scheme Transitional Regulations, and the **underpin date** and **final underpin date** as defined in regulations 4G and 4H of those regulations. Where the member is subject to transitional provisions as outlined in 3.10 – 3.17 it may be necessary to value tranches separately.

4.8 Step 1a. Revalue the provisional assumed benefits to the final underpin date.

**Revalued provisional assumed benefits =
Provisional assumed benefits × Reval A**

Where **Reval A** is the revaluation adjustment that would have applied if the Provisional assumed benefits were a deferred benefit in the 2015 Scheme as if the last day of scheme membership was the underpin date. The revaluation of the provisional assumed benefits should include any late retirement increases applicable as set out in the guidance note *The Local Government Pension Scheme (Scotland): Late Retirement*.

4.9 Step 1b. Revalue the provisional underpin amount to the final underpin date.

**Revalued provisional underpin amount =
Provisional underpin amount × Reval B**

4.10 Where **Reval B** is the revaluation adjustment that would have applied if the Provisional underpin amount were a pension to which the Pensions (Increase) Act 1971 applied from the underpin date. The revaluation of the provisional underpin amount should include any late retirement increases applicable as set out in the guidance note *The Local Government Pension Scheme (Scotland): Late Retirement*.

4.11 Step 2a. Calculate the CETV of the revalued provisional assumed benefits at the final underpin date.

**CETV of revalued provisional assumed benefits =
Revalued provisional assumed benefits (step 1a) × Gross Pension Factor A**

Where **Gross Pension Factor A** is the gross pension factor for non-Club transfers out, effective at the final underpin date, based on the age of the member at the guarantee date and the retirement age at which the provisional assumed benefits would be reduced in reference to as set out in the guidance note *The Local Government Pension Scheme (Scotland): Early payment of pension*.

4.12 Step 2b. Calculate the CETV of the revalued provisional underpin amount at the final underpin date.

**CETV of revalued provisional underpin amount =
Revalued provisional underpin amount (step 1b) × Gross Pension Factor B**



Where **Gross Pension Factor B** is the gross pension factor for non-Club transfers out effective at the final underpin date, based on the age of the member at the guarantee date and the retirement age at which the provisional underpin amount would be reduced in reference to as set out in the guidance note *The Local Government Pension Scheme (Scotland): Early payment of pension*.

4.13 Step 3. Calculate the value of the underpin in respect of the member's pension.

**Value of underpin (member pension) =
Max(0,(CETV of revalued provisional underpin amount (step 2b)
– CETV of the revalued provisional assumed benefits (step 2a))**

The value of the underpin in respect of the member's pension is the difference between step 2b and step 2a.

Where this figure is greater than zero, proceed to steps 4 to 5.

Where this figure is zero, no further calculations are required. No adjustment in respect of the statutory underpin needs to be applied to the CETV amount.

4.14 Step 4. Calculate the value of the underpin in respect of the corresponding survivor's benefit.

**Value of underpin (survivor's benefit) =
Max(0,((Revalued provisional underpin amount (step 1b) – Revalued
provisional assumed benefits (step 1a)) × 60 ÷ 160 × Surviving Partner's
Pension Factor)**

Where **Surviving Partner's Pension Factor** is the surviving partner's pension factor for non-Club transfers out effective at the final underpin date, based on the age of the member and retirement age used for the calculation of the revalued provisional assumed benefits (step 2a).

For calculating the value of the underpin in respect of the survivor's benefit, where the revalued provisional underpin amount and revalued provisional assumed benefits from steps 1b and 1a, respectively, include late retirement increases, these late retirement increases should be excluded for the purpose of this step.

This amount is subject to a minimum of zero. The Value of underpin (survivor's benefit) may be zero where the Value of underpin (member pension) is greater than zero, reflecting that early retirement reductions which may apply to member benefits do not equally apply to the corresponding survivor's benefit.

4.15 Step 5. Calculate the total value of the underpin to be added to the CETV amount.

**Total value of the underpin =
Value of underpin (member pension) (step 3)
+ Value of underpin (survivor's benefit) (step 4)**

This total value of the underpin should be added on to the CETV amount calculated.



5 Transfers-out (Club-specific issues)

- 5.1 This note should be used in conjunction with the approach set out in the Club Memorandum issued by the Cabinet Office on 29 September 2023⁷. The Club Memorandum covers the conditions for transferring benefits on Club terms in detail.
- 5.2 This guidance explains how those terms should be applied to benefits being transferred from LGPS. It is provided on the basis of the Club Memorandum, effective from 1 October 2023. That Club Memorandum deals with the transfer value calculation of benefits relating to service after 31 March 2022. In particular, the Club Memorandum specifies the transfer value calculation for remediable service considering both final salary and CARE Club arrangements.
- 5.3 Where a member has additional pension, that element is not included in the remediable service. In respect of additional pension, with the exception of additional pension in respect of lost service, the transfer value is calculated on non-Club terms. In this case the elements of the transfer value representing the added pension (excluding additional pension in respect of lost service) and the pension derived from service plus the additional pension in respect of lost service should be shown separately in the information provided to the receiving scheme.
- 5.4 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 transfers for any such members should be referred to GAD via SPPA.
- 5.5 For members with a pension debit or “scheme pays” offset, the appropriate special provisions set out in the Club Memorandum should be followed to calculate the transfer value using the formulas set out in this note.

Statutory underpin

- 5.6 For transfers of remediable service (where there was no continuous break of more than five years in active membership of a public service pension schemes since the remediable service was accrued) and the member has not exercised their deferred choice, the Club Memorandum confirms that two remediable service transfer amounts must be calculated. A final salary remediable service transfer amount and a CARE remediable service transfer amount must be calculated in line with the relevant arrangements under the Club Memorandum. The remediable service transfer amount is the higher of the final salary and CARE transfer amounts. Where a member has exercised a deferred choice in their previous scheme benefits should be determined on the basis of those elected.

⁷ <https://www.civilservicepensionscheme.org.uk/members/public-sector-transfer-club/>



6 Transfer-out formulae (Club)

Club transfer value calculation

- 6.1 The total transfer value is the sum of $TV^{PRE-2008}$, $TV^{2008-2009}$, $TV^{2009-2015}$, $TV^{2015-2022}$, $TV^{2015-2022 (no u)}$ and $TV^{POST-2022}$, the transfer values in respect of service before 1 April 2008; from 1 April 2008 to 31 March 2009; from 1 April 2009 to 31 March 2015; from 1 April 2015 to 31 March 2022; and from 1 April 2022 respectively, calculated as below. The formulae below use accrued benefits as data items, with all pensions based on annual amounts and with the benefits split between the various service periods as follows (for the avoidance of doubt data items should be revalued to the guarantee date where necessary):

Data items needed to calculate Club transfer value

	Service before 1 April 2008*	Service from 1 April 2008 to 31 March 2009	
		PA65 service*	CRA service*
Accrued Pension	A	B^{08-09}	C^{08-09}
Retirement Grant	I	R^{08-09}	T^{08-09}
Surviving Partner's Pension	K	L^{08-09}	M^{08-09}

	Service from 1 April 2009 to 31 March 2015	
	PA65 service*	CRA service*
Accrued Pension	B^{09}	C^{09}
Retirement Grant	-	-
Surviving Partner's Pension	L^{09}	M^{09}



	Eligible service from 1 April 2015 to 31 March 2022			
	CARE**		Underpin Final Salary**	
	NPA service*	CRA service*	PA65 service*	CRA service*
Accrued Pension	B ¹⁵ CARE	C ¹⁵ CARE	B ¹⁵ FS	C ¹⁵ FS
Retirement Grant	-	-	-	-
Surviving Partner's Pension	L ¹⁵ CARE	M ¹⁵ CARE	L ¹⁵ FS	M ¹⁵ FS

	Non-eligible service from 1 April 2015 to 31 March 2022***	
	CARE	
	NPA service*	CRA service*
Accrued Pension	B ¹⁵ no u CARE	-
Retirement Grant	-	-
Surviving Partner's Pension	L ¹⁵ no u CARE	-

	Service from 1 April 2022	
	NPA service*	CRA service*
Accrued Pension	B ²²	-
Retirement Grant	-	-
Surviving Partner's Pension	L ²²	-

* Some of these categories will be zero if members have no accrued benefits or transferred-in service in the above categories, further they are likely to only have benefits accrued at one retirement age for each period of service

** non-Club transfers in should be excluded from the above calculations but included separately.

*** It is possible that members may not be eligible for an underpin in respect of part of their service between 1 April 2015 to 31 March 2022, for example in respect of service after age 65. Where this is the case this should be included in non-eligible service tranche.



Service before 1 April 2008

	Formula	Result
Pension	$A \times \text{FACTOR}_{65}^P \times \text{ADJ}^P$	E
Retirement Grant	$I \times \text{FACTOR}_{65}^{\text{RG}} \times \text{ADJ}^{\text{LS}}$	J
Surviving Partner's Pension	$K \times \text{FACTOR}_{65}^S$	O
Transfer value (for service pre April 2008)	$E+J+O$	$\text{TV}^{\text{PRE-2008}}$

Service from 1 April 2008 to 31 March 2009

	Formula	Result
Pension (PA65)	$B^{08-09} \times \text{FACTOR}_{65}^P$	F^{08-09}
Retirement Grant (PA65)	$R^{08-09} \times \text{FACTOR}_{65}^{\text{RG}}$	Q^{08-09}
Pension (CRA)	$C^{08-09} \times \text{FACTOR}_{65}^P \times \text{ADJ}^P$	G^{08-09}
Retirement Grant (CRA)	$T^{08-09} \times \text{FACTOR}_{65}^{\text{RG}} \times \text{ADJ}^{\text{LS}}$	D^{08-09}
Surviving Partner's Pension	$(L^{08-09}+M^{08-09}) \times \text{FACTOR}_{65}^S$	P^{08-09}
Transfer value (for service April 2008 to March 2009)	$F^{08-09}+Q^{08-09}+G^{08-09}+D^{08-09}+P^{08-09}$	$\text{TV}^{2008-2009}$

Service from 1 April 2009 to 31 March 2015

	Formula	Result
Pension (PA65)	$B^{09} \times \text{FACTOR}_{65}^P$	F^{09}
Pension (CRA)	$C^{09} \times \text{FACTOR}_{65}^P \times \text{ADJ}^P$	G^{09}
Surviving Partner's Pension	$(L^{09}+M^{09}) \times \text{FACTOR}_{65}^S$	P^{09}
Transfer value (for service April 2009 to March 2015)	$F^{09}+G^{09}+P^{09}$	$\text{TV}^{2009-2015}$

Eligible service from 1 April 2015 to 31 March 2022

	Formula	Result
Transfer value (for service April 2015 to March 2022)	Higher of $\text{TV}^{2015-2022 \text{ CARE}}$ and $\text{TV}^{2015-2022 \text{ FS}}$	$\text{TV}^{2015-2022}$
Pension (NPA service)	$B^{15 \text{ CARE}} \times \text{FACTOR}_{\text{NPA}}^P$	$F^{15 \text{ CARE}}$
Pension (CRA service)	$C^{15 \text{ CARE}} \times \text{FACTOR}_{65}^P \times \text{ADJ}^P$	$G^{15 \text{ CARE}}$



Surviving Partner's Pension (NPA service)	$L^{15 \text{ CARE}} \times \text{FACTOR}_{\text{NPA}}^{\text{S}}$	$S^{15 \text{ CARE}}$
Surviving Partner's Pension (CRA service)	$M^{15 \text{ CARE}} \times \text{FACTOR}_{65}^{\text{S}}$	$P^{15 \text{ CARE}}$
CARE Transfer value (for eligible service April 2015 to March 2022)	$F^{15 \text{ CARE}} + G^{15 \text{ CARE}} + S^{15 \text{ CARE}} + P^{15 \text{ CARE}}$	TV^{2015-2022 CARE}

	Formula	Result
Pension (PA65 service)	$B^{15 \text{ FS}} \times \text{FACTOR}_{65}^{\text{P}}$	$F^{15 \text{ FS}}$
Pension (CRA service)	$C^{15 \text{ FS}} \times \text{FACTOR}_{65}^{\text{P}} \times \text{ADJ}^{\text{P}}$	$G^{15 \text{ FS}}$
Surviving Partner's Pension	$(L^{15 \text{ FS}} + M^{15 \text{ FS}}) \times \text{FACTOR}_{65}^{\text{S}}$	$P^{15 \text{ FS}}$
Final Salary Transfer value (for eligible service April 2015 to March 2022)	$F^{15 \text{ FS}} + G^{15 \text{ FS}} + P^{15 \text{ FS}}$	TV^{2015-2022 FS}

Non-eligible service from 1 April 2015 to 31 March 2022

	Formula	Result
Pension (NPA service)	$B^{15 \text{ no u CARE}} \times \text{FACTOR}_{\text{NPA}}^{\text{P}}$	$F^{15 \text{ no u CARE}}$
Surviving Partner's Pension (NPA service)	$L^{15 \text{ no u CARE}} \times \text{FACTOR}_{\text{NPA}}^{\text{S}}$	$S^{15 \text{ no u CARE}}$
CARE Transfer value (for non-eligible service April 2015 to March 2022)	$F^{15 \text{ no u CARE}} + S^{15 \text{ no u CARE}}$	TV^{2015-2022 (no u)}

Service from 1 April 2022

	Formula	Result
Pension (NPA service)	$B^{22} \times \text{FACTOR}_{\text{NPA}}^{\text{P}}$	F^{22}
Surviving Partner's Pension (NPA service)	$L^{22} \times \text{FACTOR}_{\text{NPA}}^{\text{S}}$	S^{22}
Transfer value (for service from April 2022)	$F^{22} + S^{22}$	TV^{POST-2022}



Factor in formulae above (and elsewhere in this guidance)	Factor in table	Table / derivation (the tables referred to above are those set out in the consolidated factors workbook)
$FACTOR_{R65}^P$	"Gross Pension"	Where a member is under age 65 (or for CRA service under CRA) factors should be taken from Table 0-103. Otherwise from Table 0-102 for valuing immediate benefit payments.
$FACTOR_{R65}^{RG}$	"Lump Sum"	
$FACTOR_{R65}^S$	"Surviving Partner's Pension"	
$FACTOR_{NPA}^P$	"Gross Pension"	Where the member's age is under NPA or CRA, factors should be taken from Tables 0-103 to 0-106 as appropriate for the member's NPA. Otherwise from Table 0-102 for valuing immediate benefit payments. Where NPA is not a whole number, factors should be interpolated using the appropriate method set out in section 12 "Non-exact Normal Pension Ages".
$FACTOR_{NPA}^S$	"Surviving Partner's Pension"	
ADJ^P	"Personal Pension"	Table 0-219 – Pension and Lump Sum Conversion Factors. When valuing immediate benefit payments, an adjustment factor for CRA membership is not required. Further, ADJ^P and ADJ^{LS} apply only where the pension age for the tranche is CRA.
ADJ^{LS}	"Lump Sum"	



7 Transfer-out formulae (non-Club CETV)

Non-Club transfer value calculation (CETV)

- 7.1 For the approach to GMP adjustments, please see paragraph 2.4.
- 7.2 The total transfer value is the sum of $TV^{PRE-2008}$, $TV^{2008-2009}$, $TV^{2009-2015}$, $TV^{2015-2022}$ and $TV^{POST-2022}$, the transfer values in respect of service before 1 April 2008; from 1 April 2008 to 31 March 2009; from 1 April 2009 to 31 March 2015; from 1 April 2015 to 31 March 2022 and from 1 April 2022 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 (for the avoidance of doubt data items should be revalued to the guarantee date where necessary):

Data items needed to calculate CETV

	Service before 1 April 2008*		Service from 1 April 2008 to 31 March 2009	
			PA65 service*	CRA service*
Accrued Pension	A		B^{08-09}	C^{08-09}
Retirement Grant	I		R^{08-09}	T^{08-09}
Surviving Partner's Pension	K		L^{08-09}	M^{08-09}
NI Modification	V			
Pre 88 GMP**	X		X^{08-09}	
Post 88 GMP**	Y		Y^{08-09}	
	Service from 1 April 2009 to 31 March 2015		Service from 1 April 2015 to 31 March 2022	
	PA65 service*	CRA service*	NPA service*	CRA service*
Accrued Pension	B^{09}	C^{09}	B^{15-22}	C^{15-22}
Retirement Grant	-	-	-	-
Surviving Partner's Pension	L^{09}	M^{09}	L^{15-22}	M^{15-22}
Pre 88 GMP**	X^{09}	-	X^{15-22}	-



Post 88 GMP**	Y ⁰⁹	-	Y ¹⁵⁻²²	-
Revalued Provisional assumed benefits***	-	-	B ^A	C ^A
Revalued Provisional underpin amount***	-	-	B ^U	C ^U

**Service from
1 April 2022**

	NPA service*	CRA service*
Accrued Pension	B ²²	-
Retirement Grant	-	-
Surviving Partner's Pension	L ²²	-
Pre 88 GMP	X ^{22**}	
Post 88 GMP	Y ^{22**}	

* Some of these categories will be zero if members have no accrued benefits or transferred-in service in the above categories, further they are likely to only have benefits accrued at one retirement age for each period of service

** If a member has any pre-2009 service, all the GMP should be allocated to that service. If a member does not have pre-2009 service but transferred-in GMP, then the GMP should be allocated to the 2008-2009, 2009-2015, 2015-2022 or post-2022 service depending on the date when the transfer took place.

*** These amounts are required for the statutory underpin calculation for eligible members only. Steps 1a and 1b in paragraphs 4.8 and 4.9 set out the calculation of these figures. Note the revalued provisional underpin amount is PA65 service.

Service before 1 April 2008

	Formula	Result
Pension	$A \times \text{FACTOR}_{65}^P \times \text{ADJ}^P$	E
Retirement Grant	$I \times \text{FACTOR}_{65}^{\text{RG}} \times \text{ADJ}^{\text{LS}}$	J
Surviving Partner's Pension	$K \times \text{FACTOR}_{65}^S$	O
NI Modification	$V \times \text{FACTOR}_{65}^{\text{NI}}$	W
GMP adjustment	$(X \times \text{FACTOR}_{65}^{\text{GMP-PRE88}}) + (Y \times \text{FACTOR}_{65}^{\text{GMP-POST88}})$	Z
Transfer value (for service pre April 2008)	$E + J + O - W - Z$	TV ^{PRE-2008}



Service from 1 April 2008 to 31 March 2009

	Formula	Result
Pension (PA65)	$B^{08-09} \times \text{FACTOR}_{65}^P$	F^{08-09}
Retirement Grant (PA65)	$R^{08-09} \times \text{FACTOR}_{65}^{RG}$	Q^{08-09}
Pension (CRA)	$C^{08-09} \times \text{FACTOR}_{65}^P \times \text{ADJ}^P$	G^{08-09}
Retirement Grant (CRA)	$T^{08-09} \times \text{FACTOR}_{65}^{RG} \times \text{ADJ}^{LS}$	D^{08-09}
Surviving Partner's Pension	$(L^{08-09} + M^{08-09}) \times \text{FACTOR}_{65}^S$	P^{08-09}
GMP adjustment	$(X^{08-09} \times \text{FACTOR}_{65}^{\text{GMP-PRE88}}) + (Y^{08-09} \times \text{FACTOR}_{65}^{\text{GMP-POST88}})$	Z^{08-09}
Transfer value (for service April 2008 to March 2009)	$F^{08-09} + Q^{08-09} + G^{08-09} + D^{08-09} + P^{08-09} - Z^{08-09}$	$TV^{2008-2009}$

Service from 1 April 2009 to 31 March 2015

	Formula	Result
Pension (PA65)	$B^{09} \times \text{FACTOR}_{65}^P$	F^{09}
Pension (CRA)	$C^{09} \times \text{FACTOR}_{65}^P \times \text{ADJ}^P$	G^{09}
Surviving Partner's Pension	$(L^{09} + M^{09}) \times \text{FACTOR}_{65}^S$	P^{09}
GMP adjustment	$(X^{09} \times \text{FACTOR}_{65}^{\text{GMP-PRE88}}) + (Y^{09} \times \text{FACTOR}_{65}^{\text{GMP-POST88}})$	Z^{09}
Transfer value (for service April 2009 to March 2015)	$F^{09} + G^{09} + P^{09} - Z^{09}$	$TV^{2009-2015}$

Service from 1 April 2015 to 31 March 2022

	Formula	Result
Pension (NPA)	$B^{15-22} \times \text{FACTOR}_{NPA}^P$	F^{15-22}
Pension (CRA)	$C^{15-22} \times \text{FACTOR}_{65}^P \times \text{ADJ}^P$	G^{15-22}
Surviving Partner's Pension (NPA service)	$L^{15-22} \times \text{FACTOR}_{NPA}^S$	P^{15-22}
Surviving Partner's Pension (CRA service)	$M^{15-22} \times \text{FACTOR}_{65}^S$	S^{15-22}
GMP adjustment	$(X^{15-22} \times \text{FACTOR}_{NPA}^{\text{GMP-PRE88}}) + (Y^{15-22} \times \text{FACTOR}_{NPA}^{\text{GMP-POST88}})$	Z^{15-22}



**Transfer value
(for service post April 2015)** $F^{15-22} + G^{15-22} + P^{15-22} + S^{15-22} - Z^{15-22} - TV^{2015-2022}$

Statutory underpin

These calculations are only required for eligible members with a statutory underpin.

	Formula	Result
Revalued Provisional assumed benefits (NPA service)	$B^A \times \text{FACTOR}_{NPA}^P$	F^A
Revalued Provisional assumed benefits (CRA service)	$C^A \times \text{FACTOR}_{65}^P \times \text{ADJ}^P$	G^A
Revalued Provisional underpin amount (PA65 service)	$B^U \times \text{FACTOR}_{65}^P$	F^U
Revalued Provisional underpin amount (CRA service)	$C^U \times \text{FACTOR}_{65}^P \times \text{ADJ}^P$	G^U
Value of underpin in respect of member benefit	$\text{Max}((F^U + G^U) - (F^A + G^A), 0)$	MU
Value of underpin in respect of corresponding survivor's benefit	$\text{Max}(((B^U + C^U) - (B^A + C^A)) \times 60/160 \times \text{FACTOR}_{NPA}^S, 0)$	SU
Total value of underpin (for service April 2015 to March 2022)	Where $MU > 0$, $MU + SU$ Where $MU \leq 0$, 0	TV^{UP}

Service from 1 April 2022

	Formula	Result
Pension (NPA service)	$B^{22} \times \text{FACTOR}_{NPA}^P$	F^{22}
Surviving Partner's Pension (NPA service)	$L^{22} \times \text{FACTOR}_{NPA}^S$	S^{22}
GMP adjustment	$(X^{22} \times \text{FACTOR}_{NPA}^{GMP-PRE88}) + (Y^{22} \times \text{FACTOR}_{NPA}^{GMP-POST88})$	Z^{22}
Transfer value (for service from April 2022)	$F^{22} + S^{22} - Z^{22}$	$TV^{POST-2022}$

The total transfer value is:

$$TV^{PRE-2008} + TV^{2008-2015} + TV^{2015-2022} + TV^{UP} + TV^{POST-2022}$$



**Factor in formulae
above (and elsewhere
in this guidance)**

Factor in table

Table / derivation

(the tables referred to above are those set out in the consolidated factors workbook)

$FACTOR_{65}^P$

“Gross Pension”

Where a member is under age 65 (or for CRA service under CRA) factors should be taken from Tables 0-201 or 0-202 as appropriate. Otherwise from the pensioner CE tables 0-301 or 302 as appropriate for valuing immediate benefit payment.

$FACTOR_{65}^{RG}$

“Lump Sum”

$FACTOR_{65}^S$

“Surviving Partner’s Pension”

$FACTOR_{65}^{NI}$

“Deduction for NI Modification”

$FACTOR_{65}^{GMP-PRE88}$

“Adjustment for GMP Pre-88”

$FACTOR_{65}^{GMP-POST88}$

“Adjustment for GMP Post-88”

$FACTOR_{NPA}^P$

“Gross Pension”

Where the member’s age is under NPA (or for CRA service under CRA) factors should be taken from Tables 0-201 to 0-208 as appropriate for the member’s NPA and gender. Otherwise from the pensioner CE tables 0-301 or 302 as appropriate for valuing immediate benefit payment.

$FACTOR_{NPA}^S$

“Surviving Partner’s Pension”

$FACTOR_{NPA}^{GMP-PRE88}$

“Adjustment for GMP Pre-88”

$FACTOR_{NPA}^{GMP-POST88}$

“Adjustment for GMP Post-88”

Where NPA is not a whole number, factors should be interpolated using the appropriate method set out in section 12 “Non-exact Normal Pension Ages”.

ADJ^P

“Personal Pension”

ADJ^{LS}

“Lump Sum”

Table 0-219 – Pension and Lump Sum Conversion Factors. When valuing immediate benefit payments, an adjustment factor for CRA membership is not required. Further, ADJ^P and ADJ^{LS} apply only where the pension age for the tranche is CRA.



8 Transfers-in (non-Club and Club) – general issues

- 8.1 A member may request their Fund to accept a transfer value if the request is made within 12 months of joining, or such longer period as their employer may allow for incoming non-Club transfers. Club Memorandum 4.1 set outs circumstances under which a Club transfer may proceed out-with the 12-month period. This section also applies to Councillors who bring in a transfer value: these are treated as non-Club transfers-in.
- 8.2 Benefits for incoming transfers take two distinct forms: one form relates to salary-related benefits (in other public service schemes typically earned before 1 April 2015), and the other relates to CARE benefits (typically earned on and after 1 April 2015). Incoming benefits may also include remediable service where the member has a choice between salary-related or CARE benefits in the transferring scheme – see 8.3.
- 8.3 Incoming Club transfers are provided with a service credit (by reference to a normal retirement age of 65) in respect of the salary-related element of the transfer, and an earned pension credit (by reference to their normal pension age) in respect of the CARE element of the transfer. This earned pension credit is then subject to the in-service revaluation rate of the transferring scheme. Section 5 of the Club Memorandum covers the transfer of remediable service between public service pension schemes. See sections 9 and 10.
- 8.4 Subject to the exception noted at paragraph 8.5, incoming non-Club transfers are provided with an earned pension credit only (by reference to their normal pension age) in respect of the entire transfer payment, and revaluation is in line with the Scheme's provisions. See section 11.
- 8.5 Where a non-Club transfer takes place that relates to non-remediable service and that satisfies the conditions in Schedule 7 of the Public Service Pensions Act 2013, the transfer is on a non-Club basis but would entitle the member to a final salary link. For example, a member transfers from Scheme A to Scheme C with more than a 5-year break between those schemes, but without having a continuous break of more than 5 years in active membership of a public service pension scheme because the member was a member of public service Scheme B in between. In these circumstances, the case should be referred to SPPA for onward transmission to GAD for appropriate factors to use in the calculation of this transfer in.
- 8.6 The factors used in the formulae in this guidance are determined for each member dependent upon their age, with age determined at the relevant date (for non-Club transfers-in) or at the guarantee date used by the transferring 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.
- 8.7 SPPA has confirmed that State Pension Age, for the purpose of calculating transfer credits, should be as set out in legislation.



- 8.8 Transfer credits in 60ths or CARE form do not include a statutory lump sum at retirement. The partner's benefit awarded will vary as a proportion of the member benefit depending on the form of the transfer credit. The partner benefit will represent 60/160ths (37.5%) of the member's 60ths pension for incoming salary-related elements of Club transfers and for non-Club transfers that buy final salary benefits under 8.5, but 49/160ths (30.625%) of the member's pension for incoming other non-Club transfers and for the CARE element of incoming Club transfers to the 2015 Scheme.
- 8.9 If the member subsequently retires before attaining age 65 (for salary-related transfer credits) or normal pension age (for earned pension transfer credits), their transferred-in benefits will be subject to the normal early retirement reductions applicable to the respective benefits, as described in the Early Payment of Pension guidance document applicable at the time the benefits are drawn.
- 8.10 If the member subsequently retires after attaining 65 (for salary-related transfer credits) or normal pension age (for earned pension transfer credits), their transferred-in benefits will be subject to the normal late retirement increase applicable to the respective benefits, as described in the Late Retirement guidance applicable at the time the benefits are drawn. Any late retirement increase should be based on the period to retirement from the later of the guarantee date and age 65 (for salary-related transfer credits) or normal pension age (for earned pension transfer credits).



9 Transfers-in (Club-specific issues)

The Club Earnings Cap in relation to the salary-related element

- 9.1 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 the salary-related element of a Club transfer where the benefits in the transferring scheme were subject to an earnings cap at the date of exit.
- 9.2 SPPA has agreed that the following approach can be taken for incoming Club transfers in respect of salary-related benefits subject to, or potentially subject to, an earnings cap in the transferring scheme.
- 9.3 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 transferring scheme.
- 9.4 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 the salary-related element of a Club transfer that was subject to (or potentially subject to) an earnings cap in the transferring scheme is calculated as follows:
- The salary-related element of the transfer value from the transferring scheme will be calculated using the member's pensionable pay in that scheme, subject to a maximum of the Club earnings cap at the date of exit, 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.
- 9.5 The Club Earnings cap will be notified annually to Club schemes and will reflect the updated Inland Revenue earnings cap if it had not been disapplied by HMRC.

Members with pension debits and/or pension offsets

- 9.6 The transferring scheme should pass details of the gross transfer value (calculated ignoring the pension debits and/or pension offsets) and the value of the pension debits and or offsets, separately for the salary-related and CARE elements. The gross transfer amount in relation to each respective element should be used in the normal Club transfer-in calculation, as per paragraphs 10.4 and 10.5, to determine the service and/or earned pension credit. See paragraphs 10.6 and 10.7 for the treatment of the pension debit and paragraphs 10.8 and 10.9 for the treatment of the pension offset.



Contribution differences

- 9.7 Contribution differences may arise where different member contribution levels or different pensionable pay definitions existed between the sending scheme's legacy and reformed schemes. A member may owe or be due contributions in respect of either legacy (generally final salary) or reformed (CARE) benefits at the guarantee date.
- 9.8 SPPA has agreed that where a contribution difference exists on a Club transfer in, the contribution difference(s) will be allowed for within the calculation of the transfer amount used to determine the CARE credit and/or the notional final salary credit. See paragraphs 10.4 and 10.5 for the associated treatment.



10 Transfer-in formulae (Club)

10.1 All transfer-in service credits (typically for pre-2015 service) should be based on Pension Age 65 and the “60ths” benefit structure, while earned pension service credits (typically for post-2015 benefits) should be based on NPA.

10.2 The following data items are needed:

Data item	Salary-related benefits Reference in formulae below	CARE benefits Reference in formulae below
Guarantee date (as used by the transferring scheme)		
Club transfer value *	$CLUB_{FSAL}$	$CLUB_{CARE}^{**}$
Member's earned pension in transferring scheme, revalued by in-service revaluation up to the guarantee date		MP_{CARE}
Transfer value of any pension debit in transferring scheme	$DEBIT_{FSAL}$	$DEBIT_{CARE}$
Transfer value of any pension offset from Scheme Pays in transferring scheme	$OFFSET_{FSAL}$	$OFFSET_{CARE}$
Pensionable Pay figure used in calculation of Club transfer value ***	$PAY-PREV$	
Contribution differences due to/from the member in respect of the sending scheme ****	CD_{FSAL}	CD_{CARE}

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

** The total Club transfer value should be split into final salary and CARE elements, but $CLUB_{CARE}$ is not required to calculate the earned pension credit in 10.5 below. Where a member is subject to a statutory underpin, the member's benefits between 1 April 2014 or 1 April 2015 and 31 March 2022 also need to be considered separately for the purpose of the underpin.

*** This should be indexed with any increases that have been applied in deferment by the transferring scheme. This can be complicated, and the Club Memorandum should be consulted if in doubt.

**** The contribution difference should be a positive amount if owed to the member, or negative amount if owed to the scheme.

10.3 The factors to be used in the following calculations are set out at paragraph 10.10.



- 10.4 The salary-related service credit should be determined using the formulae below, noting a calculation may be needed to determine the notional final salary transfer credit relating to the transfer of remediable service (provided there was no continuous break of more than five years in active membership):

	Calculation	Result
Cost of 1 year's service	$PAY-PREV \times 1/60 \times [FACTOR_{65}^P + (FACTOR_{65}^S \times 60/160)]$	£U
Service credit offered	$[CLUB_{FSAL} + CD_{FSAL}/(1-T)] / \text{£U}$	Club Service Credit (salary-related) in years and days

Where T = current basic rate or Scottish basic rate of tax (as appropriate for the member) which is currently 20%.

- 10.5 The CARE earned pension credit should be determined using the formulae below, noting a calculation may be needed to determine the CARE earned pension credit relating to the transfer value of remediable service (provided there was no continuous break of more than five years in active membership):

$$SF = FACTOR_{SEND}^P + (SPROP_{SEND} \times FACTOR_{SEND}^S) + (LSPROP_{SEND} \times FACTOR_{SEND}^L)$$

$$RF = FACTOR_{NPA}^P + (49 / 160 \times FACTOR_{NPA}^S)$$

$$\text{Club earned pension credit} = (MP_{CARE} \times SF / RF) + [CD_{CARE}/(1-T)] / RF$$

Where:

$SPROP_{SEND}$ = survivor proportion in transferring scheme

$LSPROP_{SEND}$ = lump sum proportion in transferring scheme

And T is as defined in 10.4.

Members with a pension debit

- 10.6 A pension debit which relates to final salary service applies from age 65 in the LGPS. It should be determined using the following calculation. The result is increased from the guarantee date until the date it comes into payment as if it was deferred pension. The pension debit applies to the member's pension and also affects the survivor's pension, but does not affect any child's pension. The debit to be applied to the survivor's pension is 60/160 of the annual pension debit applying as calculated below.

Annual pension debit applying from age 65 under LGPS

$$DEBIT_{FSAL} / [FACTOR_{65}^P + (FACTOR_{65}^S \times 60/160)]$$

where 'DEBIT_{FSAL}' is the transfer value reduction for the pension debit arising from salary-related service as advised by the transferring scheme.



- 10.7 A pension debit which relates to CARE benefits applies from NPA in the LGPS and should be determined using the following calculation. The result is subject to revaluation before NPA and indexation after NPA in line with Pensions Increase Act provisions. The pension debit applies to the member's pension and also affects the survivor's pension, but does not affect any child's pension. The debit to be applied to the survivor's pension is 49/160 of the annual pension debit applying as calculated below.

Annual pension debit applying from NPA under LGPS $\text{DEBIT}_{\text{CARE}} / [\text{FACTOR}_{\text{NPA}}^{\text{P}} + (\text{FACTOR}_{\text{NPA}}^{\text{S}} \times 49/160)]$

where 'DEBIT_{CARE}' is the transfer value reduction for the pension debit arising from CARE benefits as advised by the transferring scheme.

Members with a pension offset from Scheme Pays

- 10.8 An offset which relates to final salary service applies from age 65 in the LGPS and should be determined using the following calculation. The result is increased from the relevant date until the date it comes into payment as if it was a deferred pension. The pension offset applies only to the member's pension and does not affect the pension benefits to the member's dependants.

Annual offset applying from age 65 under LGPS $\text{OFFSET}_{\text{FSAL}} / \text{FACTOR}_{65}^{\text{P}}$

where 'OFFSET_{FSAL}' is the transfer value reduction for the Scheme pays offset arising from salary-related service as advised by the transferring scheme.

- 10.9 An offset which relates to CARE benefits applies from NPA in the LGPS and should be determined using the following calculation. The result is subject to revaluation before NPA and indexation after NPA in line with Pensions Increase Act provisions. The pension offset applies only to the member's pension and does not affect the pension benefits to the member's dependants.

Annual offset applying from NPA under LGPS $\text{OFFSET}_{\text{CARE}} / \text{FACTOR}_{\text{NPA}}^{\text{P}}$

where 'OFFSET_{CARE}' is the transfer value reduction for the Scheme pays offset arising from CARE benefits as advised by the transferring scheme.

Factors

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



Factor in formulae above (and elsewhere in this guidance)	Factor in table	Table / derivation (The tables referred to are those set out in the Consolidated factor workbook)
$FACTOR_{SEND}^P$	See note below	
$FACTOR_{SEND}^S$	See note below	
$FACTOR_{SEND}^L$	See note below	
$FACTOR_{65}^P$	"Gross pension"	
$FACTOR_{65}^S$	"Surviving Partner's Pension"	From Table 0-103
$FACTOR_{NPA}^P$	"Gross pension"	From Tables 0-103 to 0-106 as appropriate for the member's NPA. Where NPA is not a whole number, factors should be interpolated using the appropriate method set out in section 12 "Non-exact Normal Pension Ages".
$FACTOR^S$	"Surviving Partner's Pension"	

Note: the factors $FACTOR_{SEND}^P$, $FACTOR_{SEND}^S$ and $FACTOR_{SEND}^L$ should be obtained from the transferring scheme. For a scheme providing CARE benefits by reference to State Pension Age (or age 65 if higher), $FACTOR_{SEND}^P$ and $FACTOR_{SEND}^S$ should be equal to $FACTOR_{NPA}^P$ and $FACTOR_{NPA}^S$ respectively.



11 Transfer-in formulae (non-Club Career Average)

- 11.1 Other than the cases described in 8.5, non Club transfer-in credits should be based on State Pension Age or, if higher, age 65, and the CARE benefit structure.
- 11.2 In the cases of members over NPA, the factors assume immediate retirement, so reference in the guidance note to State Pension Age, or if higher, age 65 is not relevant.
- 11.3 For members reaching State Pension Age on or after 6 April 2016, there is no adjustment for any GMP included in the transfer which reflects that the scheme will pay full indexation increases on the GMP part of the transfer in credit awarded.
- 11.4 If the member reached State Pension Age before 6 April 2016 and the incoming transfer value includes a GMP, refer the case to SPPA for onward transmission to GAD.
- 11.5 The following data items are needed:

Data item	Reference in formulae below
Relevant date	
Non-Club transfer value offered	CETV

Service credit calculations

	Calculation	Result
Additional earned pension transfer credit offered	$\pounds \text{CETV} / [(\text{FACTOR}^{\text{P-IN}}) + (49/160 \times \text{FACTOR}^{\text{S-IN}})]$	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 (the tables referred to are those set out in the Consolidated factor workbook)
FACTOR ^{P-IN}	“Gross Pension”	The relevant NM or NF table*
FACTOR ^{S-IN}	“Surviving Partner’s Pension”	(Workbook tables 0-209 to 0-218)

*Note: The relevant NM or NF table is whichever of the tables NM65, NF65, NM66, NF66, NM67, NF67, NM68 and NF68 is relevant to the member’s sex and NPA. (For each NPA male and female factors are the same for each age. However, we have maintained the sex-specific tables for ease of updating systems). Where the member’s NPA is not a whole number, the factors should be interpolated from the two tables for the member’s sex with the nearest NPAs using the method set out in section 12 “Non-Integer Normal Pension Ages”. Note that interpolation of factors is not necessary where using factors for members over NPA.



12 Non exact age Normal Pension Ages

- 12.1 Where a transferring member has an NPA that is not a whole number (i.e. it does not fall on a future anniversary of their birth date), factors should be derived by interpolation using the most appropriate of the two methods below. These are consistent with the methods set out in the Club Memorandum.

Members with a NPA of years and whole months

- 12.2 Where a member has a non-integer normal pension age (i.e. an NPA that is a whole number of years and months), the factors for all elements of the transfer value should be determined using the appropriate factors in the tables in the consolidated factors workbook using straight line interpolation based on months. For example, to determine the factors applicable to a member with a normal pension age of 66 years and 2 months, the formula below should be used:

$$F_P(\text{NPA 66 years, 2 months}) = F_P(\text{NPA66}) + [2/12 \times [F_P(\text{NPA67}) - F_P(\text{NPA66})]]$$

Where:

$F_P(\text{NPA}xx)$ is the factor applying for a Normal Pension Age of xx

Example:

Interpolation of member pension factor for member aged 66 years 2 months

Member age at relevant date: 45

Age 66 member non club transfer out factor: 12.71

Age 67 member non club transfer out factor: 12.06

Factor at age 66 years 2 months: $12.71 + (2/12 \times (12.06 - 12.71)) = 12.60$

Members with an NPA of years and days (i.e. not whole months)

- 12.3 Some members may have a State Pension Age that falls on a specified date, which would mean that their NPA is based on years and days rather than years and whole months. In this case, the factors for all elements of the transfer value should be determined using the appropriate factors in the tables in the consolidated factors workbook using straight line interpolation based on days. For example, to determine the factors applicable to a member with a normal pension age of 67 years and 249 days, the formula below should be used:

$$F_P(\text{NPA 67 years, 249 days}) = F_P(\text{NPA67}) + [249/365 \times [F_P(\text{NPA68}) - F_P(\text{NPA67})]]$$



Where:

$F_P(NP_{Axx})$ is the factor applying for a Normal Pension Age of xx

Example:

Interpolation of member pension factor for member aged 67 years 249 days

Member age at relevant date: 45

Age 67 member non club transfer out factor: 12.06

Age 68 member non club transfer out factor: 11.43

Factor at age 67 years 249 days: $12.06 + (249/365 \times (11.43 - 12.06)) = 11.63$



13 Examples

Please note that rounding has been applied to the figures throughout the calculations for presentational purposes.

Example 1: Club transfer value (pre-1.12.2006 member born after 31.3.1960) with an underpin

Member data:

Date of birth: 1 July 1968

Sex: Male (as club factors are now unisex this simply indicates which table is referenced)

Date of joining: 1 July 1992

Guarantee date: 1 November 2023

("Group 2" member – see paragraph 3.14)

Pre-2008 service:	15 years	275 days
2008-2009 service:	1 year	0 days
2009-2015 service:	6 years	0 days
2015-2020 service:	5 years	0 days
2020-2022 service:	2 years	0 days
Post-2022 service:	1 year	213 days
Total service:	31 years	123 days

Final pensionable salary: £25,000

Date of leaving: 31 October 2023

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

	Calculation	Result
Pension (A)	$(15+275/365) \times £25,000 / 80$	£4,922.95 p.a.
Retirement grant (I)	$3 \times £4,922.95$	£14,768.85
Dependant's pension (K)	$£4,922.95 / 2$	£2,461.48 p.a.



Service from 1 April 2008 to 31 March 2009

Pension age = 65

	Calculation	Result
Pension (B ⁰⁸⁻⁰⁹)	1 x £25,000 / 80	£312.50 pa
Retirement Grant (R ⁰⁸⁻⁰⁹)	3 x £312.50	£937.50
Dependant's pension (L ⁰⁸⁻⁰⁹)	£312.50 / 2	£156.25 pa

Service from 1 April 2009 to 31 March 2015

Pension age = 65

	Calculation	Result
Pension (B ⁰⁹)	6 x £25,000 / 60	£2,500.00 p.a.
Dependant's pension (L ⁰⁹)	60/160 x £2,500.00	£937.50 p.a.

Service from 1 April 2015 to 31 March 2022

CARE

Assumed CARE Pension (B^{15 CARE}) = £4,672.00 p.a.
Dependants' pension (L^{15 CARE}) = £1,430.80 p.a.

Note: there is no need in this case to separate the periods of service from 1 April 2015 to 31 March 2022 because the benefits accrued have the same pension age.

Normal pension age = 67 years (for illustration only, it should be based on legislation at the guarantee date)

Final salary

	Calculation	Result
Pension (B ^{15 FS})	7 x £25,000 / 60	£2,916.67 p.a.
Dependant's pension (L ^{15 FS})	60/160 x £2,916.67	£1,093.75 p.a.

NPA = 65 years

Service from 1 April 2022

Normal pension age = 67 years (for illustration only, it should be based on legislation at the guarantee date)



Assumed CARE Pension (B²²) = £800.00 p.a.
Dependants' pension (L²²) = £245.00 p.a.

Factors (male, aged 55 last birthday at Guarantee date)		
FACTOR ₆₅ ^P	Club 2023 Table 3 in consolidated factor workbook	16.20
FACTOR ₆₅ ^{RG}	"	0.83
FACTOR ₆₅ ^S	"	2.15
FACTOR _{NPA} ^P	Club 2023 Table 5 in consolidated factor workbook	14.59
FACTOR _{NPA} ^S	"	2.19
ADJ ^P	Table 0-219 in consolidated factor workbook	1.28
ADJ ^{LS}	"	1.09

Transfer value calculations

Service before 1 April 2008

	Calculation	Result
Pension (E)	£4,922.95 x 16.20 x 1.28	£102,082.29
Retirement grant (J)	£14,768.85 x 0.83 x 1.09	£13,361.38
Dependant's Pension (O)	£2,461.48 x 2.15	£5,292.18
Total Amount (TV^{PRE-2008})	E + J + O	£120,735.85

Service between 1 April 2008 and 31 March 2009

	Calculation	Result
Pension (F ⁰⁸⁻⁰⁹)	£312.50 x 16.20	£5,062.50
Retirement grant (Q ⁰⁸⁻⁰⁹)	£937.50 x 0.83	£778.13
Dependant's Pension (P ⁰⁸⁻⁰⁹)	£156.25 x 2.15	£335.94
Total Amount (TV²⁰⁰⁸⁻²⁰⁰⁹)	F⁰⁸⁻⁰⁹ + Q⁰⁸⁻⁰⁹ + P⁰⁸⁻⁰⁹	£6,176.57

Service between 1 April 2009 and 31 March 2015

	Calculation	Result
Pension (F ⁰⁹)	£2,500.00 x 16.20	£40,500.00
Dependant's Pension (P ⁰⁹)	£937.50 x 2.15	£2,015.63
Total Amount (TV²⁰⁰⁹⁻²⁰¹⁵)	F⁰⁹ + P⁰⁹	£42,515.63



Eligible Service between 1 April 2015 and 31 March 2022

CARE

	Calculation	Result
Pension (F ^{15 CARE})	£4,672.00 x 14.59	£68,164.48
Dependant's Pension (P ^{15 CARE})	£1,430.80 x 2.19	£3,133.45
Total Amount (TV^{2015 - 2022 CARE})		£71,297.93

Final Salary

	Calculation	Result
Pension (F ^{15 FS})	£2,916.67 x 16.20	£47,250.05
Dependant's Pension (P ^{15 FS})	£1,093.75 x 2.15	£2,351.56
Total Amount (TV^{2015 - 2022 FS})		£49,601.61

Service from 1 April 2022

	Calculation	Result
Pension (F ²²)	£800.00 x 14.59	£11,672.00
Dependant's Pension (P ²²)	£245.00 x 2.19	£536.55
Total Amount (TV^{POST 2022})		£12,208.55

Total transfer value on Club basis

	Transfer value
Service before 1 April 2008 (TV ^{PRE-2008})	£120,735.85
Service from 1 April 2008 to 31 March 2009 (TV ²⁰⁰⁸⁻²⁰⁰⁹)	£6,176.57
Service from 1 April 2009 to 31 March 2015 (TV ²⁰⁰⁹⁻²⁰¹⁵)	£42,515.63
Service from 1 April 2015 to 31 March 2022 (Greater of TV ^{2015-2022 FS} and TV ^{2015-2022 CARE})	£71,297.93
Service after 1 April 2022 (TV ^{POST-2022})	£12,208.55
Total transfer value	£252,934.53



Example 2: Club transfer (pre-1.12.2006 member born before 01.04.1960) with an underpin

Member data:

Date of birth: 1 December 1959

Sex: Male (club factors are now unisex this simply indicates which table is referenced)

Date of joining: 1 July 1992

Date of leaving: 31 October 2023

Guarantee date: 1 November 2023

("Group 1" member – see paragraph 3.14)

Pre-2008 service:	15 years	275 days
2008-2009 service:	1 year	0 days
2009-2015 service:	6 years	0 days
2015-2022 service:	7 years	0 days
Post-2022 service	1 year	213 days
Total service:	31 years	123 days

Final pensionable salary: £25,000

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

	Calculation	Result
Pension (A)	$(15+275/365) \times £25,000 / 80$	£4,922.95 p.a.
Retirement grant (I)	$3 \times £4,922.95$	£14,768.84
Dependant's pension (K)	$£4,922.95 / 2$	£2,461.48 p.a.

Service from 1 April 2008 to 31 March 2009

Critical retirement age = 60

Mixed pension and lump sum benefits

	Calculation	Result
Pension (C ⁰⁸⁻⁰⁹)	$1 \times £25,000 / 80$	£312.50 p.a.
Retirement Grant (T ⁰⁸⁻⁰⁹)	$3 \times £312.50$	£937.50
Dependant's pension (M ⁰⁸⁻⁰⁹)	$£312.50 / 2$	£156.25 p.a.



Service from 1 April 2009 to 31 March 2015

Critical retirement age = 60

Pension only Benefits

	Calculation	Result
Pension (C ⁰⁹)	$6 \times \text{£}25,000 / 60$	£2,500.00 p.a.
Dependant's pension (M ⁰⁹)	$60/160 \times \text{£}2,500.00$	£937.50 p.a.

Eligible Service from 1 April 2015 to 31 March 2020

Critical retirement age = 60

CARE

Assumed CARE Pension (C^{15 CARE}) = £1,900.00 pa
Dependants' pension (M^{15 CARE}) = £580.00 pa

Final Salary

	Calculation	Result
Pension (C ^{15 FS})	$5 \times \text{£}25,000 / 60$	£2,083.33 p.a.
Dependant's pension (M ^{15 FS})	$60/160 \times \text{£}2,083.33$	£781.25 p.a.

Eligible Service from 1 April 2020 to 31 March 2022 (NPA service)

CARE

Assumed CARE Pension (B^{15 CARE}) = £680.00 pa
Dependants' pension (L^{15 CARE}) = £208.25 pa

NPA = 66 years (for illustration only, it should be based on legislation at the guarantee date)

Final Salary

	Calculation	Result
Pension (B ^{15 FS})	$2 \times \text{£}25,000 / 60$	£833.33 p.a.
Dependant's pension (L ^{15 FS})	$60/160 \times \text{£}833.33$	£312.50 p.a.

NPA=65 years

Also note that for this member, all of their service from 1 April 2015 to 31 March 2022 is eligible so there is no non-eligible service to consider.



Service from 1 April 2022

Assumed CARE Pension Post-2022 (B²²) =£300.00 pa
Dependants' CARE pension Post-2022 (L²²) =£91.88 pa

Factors (male, aged 63 last birthday at Guarantee date)		
FACTOR ₆₅ ^P – immediate	Club 2023 Tables 1&2 in consolidated factor workbook	20.01
FACTOR ₆₅ ^{RG} - immediate	“	1.00
FACTOR ₆₅ ^S - immediate	“	2.15
FACTOR ₆₅ ^P	Club 2023 Table 3 in consolidated factor workbook	18.54
FACTOR ₆₅ ^S	“	2.17
FACTOR _{NPA} ^P	Club 2023 Table 4 in consolidated factor workbook	17.59
FACTOR _{NPA} ^S	“	2.19

Service before 1 April 2008

	Calculation	Result
Pension (E)	£4,922.95 x 20.01	£98,508.23
Retirement grant (J)	£14,768.84 x 1.00	£14,768.84
Dependant's Pension (O)	£2,461.48 x 2.15	£5,292.18
Total Amount (TV ^{PRE-2008})	E + J + O	£118,569.25

Service between 1 April 2008 and 31 March 2009

	Calculation	Result
Pension (G ⁰⁸⁻⁰⁹)	£312.50 x 20.01	£6,253.13
Retirement grant (D ⁰⁸⁻⁰⁹)	£937.50 x 1.00	£937.50
Dependant's Pension (P ⁰⁸⁻⁰⁹)	£156.25 x 2.15	£335.94
Total Amount (TV ²⁰⁰⁸⁻²⁰⁰⁹)		£7,526.57

Service between 1 April 2009 and 31 March 2015

	Calculation	Result
Pension (G ⁰⁹)	£2,500.00 x 20.01	£50,025.00
Dependant's Pension (P ⁰⁹)	£937.50 x 2.15	£2,015.63
Total Amount (TV ²⁰⁰⁹⁻²⁰¹⁵)	G ⁰⁹ + P ⁰⁹	£52,040.63



Eligible service between 1 April 2015 and 31 March 2020

CARE

	Calculation	Result
Pension ($G^{15-20 \text{ CARE}}$)	£1,900.00 x 20.01	£38,019.00
Dependant's Pension ($P^{15-20 \text{ CARE}}$)	£580.00 x 2.15	£1,247.00
Total Amount ($TV^{15-20 \text{ CARE}}$)	$G^{15-20 \text{ CARE}} + P^{15-20 \text{ CARE}}$	£39,266.00

Final Salary

	Calculation	Result
Pension ($G^{15-20 \text{ FS}}$)	£2,083.33 x 20.01	£41,687.43
Dependant's Pension ($P^{15-20 \text{ FS}}$)	£781.25 x 2.15	£1,679.69
Total Amount ($TV^{15-20 \text{ FS}}$)	$G^{15-20 \text{ FS}} + P^{15-20 \text{ FS}}$	£43,367.12

Eligible service between 1 April 2020 and 31 March 2022

CARE

	Calculation	Result
Pension ($F^{20-22 \text{ CARE}}$)	£680.00 x 17.59	£11,961.20
Dependant's Pension ($S^{20-22 \text{ CARE}}$)	£208.25 x 2.19	£456.07
Total Amount ($TV^{20-22 \text{ CARE}}$)	$F^{20-22 \text{ CARE}} + S^{20-22 \text{ CARE}}$	£12,417.27

Final Salary

	Calculation	Result
Pension ($F^{20-22 \text{ FS}}$)	£833.33 x 18.54	£15,449.94
Dependant's Pension ($P^{20-22 \text{ FS}}$)	£312.50 x 2.17	£678.13
Total Amount ($TV^{20-22 \text{ FS}}$)	$F^{20-22 \text{ FS}} + P^{20-22 \text{ FS}}$	£16,128.07

To determine whether the CARE or Final Salary transfer value is higher we need to consider all parts over the period 1 April 2015 to 31 March 2022:

CARE Transfer value for eligible service between 1 April 2015 and 31 March 2022:

Total Amount ($TV^{15-20 \text{ CARE}}$) + Total Amount ($TV^{20-22 \text{ CARE}}$) = £39,266.00 + £12,417.27 = **£51,683.27**



Final Salary Transfer value for eligible service between 1 April 2015 and 31 March 2022:

Total Amount (TV^{15-20 FS}) + Total Amount (TV^{20-22 FS}) = £43,367.12 + £16,128.07 =
£59,495.19

The higher Final Salary Transfer value is payable.

Service from 1 April 2022

	Calculation	Result
Pension (F ²²)	£300.00 x 17.59	£5,277.00
Dependant's Pension (S ²²)	£91.88 x 2.19	£201.22
Total Amount (TV ^{POST-2022})		£5,478.22

Total transfer value

	Transfer value
Service before 1 April 2008 (TV ^{PRE-2008})	£118,569.25
Service from 1 April 2008 to 31 March 2009 (TV ⁰⁸⁻⁰⁹)	£7,526.57
Service from 1 April 2009 to 31 March 2015 (TV ⁰⁹⁻¹⁵)	£52,040.63
Service from 1 April 2015 to 31 March 2022 (Greater of TV ^{15-22 CARE} and TV ^{15-22 FS})	£59,495.19
Service from 1 April 2022 (TV ^{POST-22})	£5,478.22
Total transfer value	£243,109.86



Example 3: Non-Club transfer value (pre-1.12.06 member born after 31.3.60) with an underpin

Member data:

Date of birth: 1 July 1968
 Sex: Female (Non-Club factors are sex specific for GMP adjustments)
 Date of joining: 1 July 2002
 Date of leaving: 30 June 2020
 Guarantee date: 1 July 2023
 ("Group 2" member – see paragraph 3.14)

Pre-2008 service: 5 years 275 days
 2008-2009 service: 1 year 0 days
 2009-2015 service: 6 years 0 days
 2015-2022 service: 5 years 90 days
 Total service: 18 years 0 days

Final pensionable salary: £25,000
 Revaluation factor from leaving to guarantee date: 1.1394 (illustrative)
 No GMP

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

	Calculation	Result
Pension (A)	$(5+275/365) \times £25,000 / 80 \times 1.1394$	£2,048.53 p.a.
Retirement grant (I)	$3 \times £2,048.53$	£6,145.60
Dependant's pension (K)	$£2,048.53 / 2$	£1,024.27 p.a.

Any GMP is allocated to the service before 1 April 2008



Service from 1 April 2008 to 31 March 2009

Pension age = 65

	Calculation	Result
Pension (B ⁰⁸⁻⁰⁹)	1 x £25,000 / 80 x 1.1394	£356.06 pa
Retirement Grant (R ⁰⁸⁻⁰⁹)	3 x £356.06	£1,068.19
Dependant's pension (L ⁰⁸⁻⁰⁹)	£356.06 / 2	£178.03 pa

Service from 1 April 2009 to 31 March 2015

Pension age = 65

	Calculation	Result
Pension (B ⁰⁹)	6 x £25,000 / 60 x 1.1394	£2,848.50 p.a.
Dependant's pension (L ⁰⁹)	60/160 x £2,848.50	£1,068.19 p.a.

Service from 1 April 2015 to 31 March 2022

Normal pension age = 67 years (for illustration only, it should be based on legislation at the guarantee date)

Pension only benefits (revalued to guarantee date)

Assumed CARE Pension (B¹⁵⁻²²) = £1,800.00 p.a.
Dependants' CARE pension (L¹⁵⁻²²) = £551.25 p.a.

Factors (female, aged 55 last birthday at Guarantee date)		
FACTOR ₆₅ ^P	Table 0-202 in consolidated factor workbook	15.61
FACTOR ₆₅ ^{RG}	"	0.85
FACTOR ₆₅ ^S	"	2.48
FACTOR ₆₅ ^{GMP-PRE88}		-4.55
FACTOR ₆₅ ^{GMP-POST88}		-4.55
FACTOR _{NPA} ^P	Table 0-206 in consolidated factor workbook	14.04
FACTOR _{NPA} ^S	"	2.53
ADJ ^P	Table 0-219 in consolidated factor workbook	1.28
ADJ ^{LS}	"	1.09



Transfer value calculations

Service before 1 April 2008

	Calculation	Result
Pension (E)	$£2,048.53 \times 15.61 \times 1.28$	£40,931.27
Retirement grant (J)	$£6,145.60 \times 0.85 \times 1.09$	£5,693.89
Dependant's Pension (O)	$£1,024.27 \times 2.48$	£2,540.18
NI Modification (W)	£0.00	£0.00
GMP adjustment (Z)	$(£0.00 \times -4.55) + (£0 \times -4.55)$	£0.00
Total Amount (TV^{PRE-2008})	$E + J + O - V - Z$	£49,165.34

Service between 1 April 2008 and 31 March 2009

	Calculation	Result
Pension (F ⁰⁸⁻⁰⁹)	$£356.06 \times 15.61$	£5,558.10
Retirement grant (Q ⁰⁸⁻⁰⁹)	$£1,068.19 \times 0.85$	£907.96
Dependant's Pension (P ⁰⁸⁻⁰⁹)	$£178.03 \times 2.48$	£441.51
Total Amount (TV²⁰⁰⁸⁻²⁰⁰⁹)	$F^{08-09} + Q^{08-09} + P^{08-09}$	£6,907.57

Service between 1 April 2009 and 31 March 2015

	Calculation	Result
Pension (F ⁰⁹)	$£2,848.50 \times 15.61$	£44,465.09
Dependant's Pension (P ⁰⁹)	$£1,068.19 \times 2.48$	£2,649.11
Total Amount (TV²⁰⁰⁹⁻²⁰¹⁵)	$F^{09} + P^{09}$	£47,114.20

Service from 1 April 2015 to 31 March 2022

	Calculation	Result
Pension (F ¹⁵⁻²²)	$£1,800.00 \times 14.04$	£25,272.00
Dependant's Pension (P ¹⁵⁻²²)	$£551.25 \times 2.53$	£1,394.66
Total Amount (TV²⁰¹⁵⁻²⁰²²)	$F^{15-22} + P^{15-22}$	£ 26,666.66



Statutory Underpin

The member is eligible for the statutory underpin so the additional calculations set out in 4.5 to 4.15 should be carried out.

Additional Member Data:

Provisional Assumed Benefits: £1,750.00 (including the part year increase in the year of leaving active service)

Provisional Underpin Amount: £1,650.00

Underpin date: 30/06/2020

Final Underpin date: 01/07/2023

Pension increase factor from underpin date to final underpin date: 1.1394

Steps 1a and 1b: Revalue provisional assumed benefits and provision underpin amount

	Calculation	Results
Revalued provisional assumed benefits (B ^A)	£1,750.00 x 1.1394	£1,993.95
Revalued provisional underpin amount (B ^U)	£1,650.00 x 1.1394	£1,880.01

Steps 2a and 2b: Transfer value calculations

	Calculation	Results
CETV of revalued provisional assumed benefits (F ^A)	£1,993.95 x 14.04	£27,995.06
CETV of revalued provisional underpin amount (F ^U)	£1,880.01 x 15.61	£29,346.96

Step 3: Value of underpin in respect of member benefit

	Calculation	Results
Value of underpin in respect of member benefit (MU)	Max(0, £29,346.96 - £27,995.06)	£1,351.90

MU is greater than zero so the member's CETV should be increased by an amount to reflect the underpin. Proceed to steps 4 and 5.

Step 4: Value of underpin in respect of corresponding survivor's benefit.

	Calculation	Results
Value of underpin in respect of corresponding survivor's benefit (SU)	Max(0, (£1,880.01 - £1,993.95) x 60 / 160 x 2.53)	0



Step 5: Total value of underpin to be added to the CETV amount

	Calculation	Results
Total value of the underpin (TV ^{UP})	£1,351.90 + 0	£1,351.90

Total transfer value on non-Club basis

	Transfer value
Service before 1 April 2008 (TV ^{PRE-2008})	£49,165.34
Service from 1 April 2008 to 31 March 2009 (TV ²⁰⁰⁸⁻²⁰⁰⁹)	£6,907.61
Service from 1 April 2009 to 31 March 2015 (TV ²⁰⁰⁹⁻²⁰¹⁵)	£47,114.20
Service after 1 April 2015 (TV ²⁰¹⁵⁻²⁰²²)	£26,666.66
Underpin (TV ^{UP})	£1,351.90
Total non-Club transfer value	£131,205.71



Example 4: Club transfer-in

Member data:

Date of birth: 1 May 1986
 Sex: Female (as Club factors are now unisex this simply indicates which table is referenced)
 NPA: 68 (illustrative)
 Date of joining: 1 December 2023
 Transfer date: 1 December 2023
 Age last birthday at transfer date: 37

The member has remediable service.

Pensionable pay in calculation of Club transfer value (PAY-PREV): £30,000
 (indexed as necessary)

Club transfer value (CLUB_{FSAL}): £35,000
 (no debit or offset in respect of salary-related benefits)

For the purpose of this illustration all benefits are assumed to have been earned in the remediable service period and no additional split is required.

Earned pension in transferring scheme (revalued to 1 December 2023) (MP_{CARE}): £2,000.00 p.a.

(no debit or offset in respect of CARE benefits)

Contribution difference – Final Salary element (CD_{FSAL}): -£1,500

Contribution difference – CARE element (CD_{CARE}): £0

Basic rate of tax applicable for member: 20%

Factors (Female, aged 37 last birthday at Transfer date)		Club
FACTOR ₆₅ ^P	Club 2023 Table 3 in consolidated factor workbook	12.36
FACTOR ₆₅ ^S	“	1.84

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

a) Club calculation – Final salary related element

	Calculation	Result
Cost of 1 year's service (£U)	$£30,000 \times 1/60 \times (12.36 + 1.84 \times 60/160)$	£6,525.00
Service credit	$(£35,000 + (-£1,500/(1-0.20))) / £6,525.00$	5 years 28 days

This service credit is notional and is treated as if it had arisen in the 2009 Scheme.



b) Club calculation – CARE element

Factors (Female, aged 37 last birthday at Transfer date)	Club
$SPROP_{SEND}$	(illustrative) 0.5
$LSPROP_{SEND}$	(illustrative) 0
$FACTOR_{SEND}^P$	(illustrative) 10.61
$FACTOR_{SEND}^S$	(illustrative) 1.87
$FACTOR_{SEND}^L$	(illustrative) 0.57
$FACTOR_{NPA}^P$	Club 2023 Table 6 in consolidation factor workbook 10.61
$FACTOR_{NPA}^S$	" 1.87

	Calculation	Result
SF	$10.61 + (0.5 \times 1.87) + (0 \times 0.57)$	11.5450
RF	$10.61 + (49 / 160 \times 1.87)$	11.1827
Earned pension credit in the Scheme	$£2,000.00 \times 11.5450 / 11.1827$	£2,064.80



Example 5: non-Club transfer-in (Career Average)

Member data:

Date of birth: 1 June 1979
 Sex: Female
 NPA: 68
 Date of joining: 1 February 2024
 Relevant date: 1 February 2024
 Age last birthday at transfer date: 44
 Transfer value: £20,000

Factors (female, aged 44 last birthday at Relevant date)		non-Club
$FACTOR_{NPA}^{P-IN}$	Table 0-216 in consolidated factor workbook	11.76
$FACTOR_{NPA}^{S-IN}$	"	2.45
FACTORGMP-PRE88	"	0.00
FACTORGMP-POST88	"	0.00

Non-Club calculation

	Calculation	Result
Non-Club transfer value (CETV)	£20,000.00	
Non-Club earned pension transfer credit	$£20,000 / [11.76 + (49/160 \times 2.45)]$	£1,598.68 p.a.



Appendix A: Assumptions underlying factors

Noted below are main financial and demographic assumptions used to set the factors referred to in this document. Please note the factors used in this document are subject to change.

Financial assumptions

Nominal discount rate	3.734%
CPI	2.00%
Real discount rate (in excess of CPI)	1.70%

Mortality assumptions

Base mortality tables and adjustments – normal health	113% of S3NMA_M (Males) and 115% of S3NFA_M (Females)
Base mortality tables and adjustments – ill health	148% of S3IMA (Males) 159% of S3IFA (Females)
Base mortality tables and adjustments – dependants	110% of S3DMA (Males) and 114% of S3NFA_H (Females)
Future mortality improvement	Based on ONS principal UK population projections 2020
Year of Use	2024

Other assumptions

Proportion of male members for unisex factors	40%
Proportion partnered	N/A
Age difference between member and partner	Males assumed 3 years older than partner. Females assumed 2 years younger than partner.
Allowance for commutation	Nil



Appendix B: Limitations

- B.1 This guidance should not be used for any purpose other than those set out in this guidance.
- B.2 Factors are subject to regular review. Scheme managers and administrators need to ensure that they are using the latest factors at the relevant date, as relevant, when processing cases.
- B.3 Advice provided by GAD must be taken in context and is intended to be considered in its entirety. Individual sections, if considered in isolation, may be misleading, and conclusions reached by a review of some sections on their own may be incorrect. GAD does not accept responsibility for advice that is altered or used selectively. Clarification should be sought if there is any doubt about the intention or scope of advice provided by GAD.
- B.4 This guidance only covers the actuarial principles around the calculation and application of individual transfer factors. Any legal advice in this area should be sought from an appropriately qualified person or source.
- B.5 Scheme managers and administrators should satisfy themselves that individual transfer calculations and benefit awards 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 SPPA and GAD. Under no circumstances should this guidance take precedence over the Regulations. Administrators should ensure that they comply with all relevant Regulations.