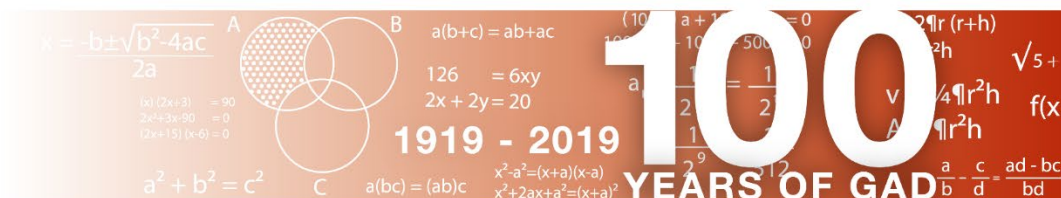# Armed Forces Pension Arrangements

Annual Allowance Charges

Calculation of Scheme Pays Offsets

Version 1.0

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Contents

1   Introduction

Scope of this guidance

1.1   This document is provided for the Ministry of Defence (MoD) as scheme manager of the Armed Forces pension arrangements. It sets out guidance and factors for the purposes of administering the Annual Allowance scheme pays arrangement within the scheme.

1.2   This guidance note sets out a general method for assessing consequential benefit offsets in accordance with section 15 of Schedule 17 of the Finance Act 2011. These benefit offsets will be applied to those AFPS members who incur Annual Allowance charges and subsequently elect for AFPS to meet part, or all, of this charge through the "scheme pays" mechanism.

1.3   This note relates to the Armed Forces Pension Schemes: AFPS75, AFPS05, AFPS15, FTRS and RFPS (in this note collectively referred to as 'AFPS').

1.4   The determination of Annual Allowance charges is outside the scope of this note.

1.5   This note relates only to the reduction of benefits where an Annual Allowance charge is payable. Separate guidance has been issued relating to the reduction of benefits where a Lifetime Allowance is payable.

1.6   This guidance supersedes any guidance previously issued for the purpose of Annual Allowance scheme offset calculations.

1.7   The factors were prepared in light of our general factors advice to MoD dated 28 February 2018 and 30 October 2018 and its instructions following that advice.

1.8   The spreadsheet sent to MoD on 6 December 2018 contains the relevant factors. The tables for use in the calculation of annual allowance cases are tables 1201, 1202, 1203 and 1204.

1.9   These factors are "MoD-Controlled" factors and so it is MoD's decision whether to update these factors after considering GAD's recommendation. MoD has informed GAD that these factors came into force with effect from 1 April 2019.

1.10 Appendix A in this guidance sets out the assumptions used in the determination of factors.

Implementation and Review

1.11 This guidance has been written for pension administrators and assumes some knowledge of general pension terminology, and some familiarity with retirement calculations for the Armed Forces Pension Schemes. Any questions concerning the application of the guidance should, in the first instance, be referred to MoD.

1.12   In line with best practice and in order to make sure that factors are being used as intended and the instructions are fit for purpose, we suggest that some example calculations are sent to GAD for review.

1.13   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.

2   Annual Allowance – Scheme Pays Mechanism

2.1   The following sections set out the method and instructions for calculating the benefit offsets to be applied when members elect to utilise the Annual Allowance scheme pays mechanism in AFPS. We note that Annual Allowance scheme pays will not be available to all members incurring Annual Allowance charges, and the administrators will need to ensure members' eligibility before applying the approach set out in this paper.

2.2   This note does not attempt to describe the method for determining the amount of any Annual Allowance charge. Any references to this note to the calculation of the Annual Allowance charge are included solely to help explain how the charge should be converted to a reduction to the member's benefits. They should not be treated as guidance on how to calculate the Annual Allowance charge.

2.3   In some cases, members of AFPS15 also have accrued rights in another AFPS, in relation to service built up prior to April 2015. In this case, members may be deemed to be accruing benefits in both pension schemes. This guidance does not attempt to illustrate the MoD's approach to proportioning the Annual Allowance charges between the two schemes. However, in that situation each tax charge is applied to the benefits provided by the given scheme in accordance with this guidance.

2.4   It is our understanding of Government policy that costs incurred by the MoD in relation to the operation of the scheme pays mechanism may not be recovered from the member concerned. For that reason, no allowance has been made for administrative expenses when preparing this advice.

2.5   All references to a spouse in this document should be taken to include a civil partner or another adult partner that is eligible to receive a pension from the relevant pension scheme on the member's death.

Armed Forces Pensions Regulations

2.6   The AFPS is covered by paragraph 237A of the Finance Act 2004. In addition, regulations 119 and 120 of the Armed Forces Pension Regulations 2014 (as amended) cover Annual Allowance benefit offsets for the AFPS15.

Guidance sections

2.7   Section 3 outlines how the initial benefit offsets should be calculated for tax charges attributed to AFPS75, AFPS05, FTRS and RFPS for members who are not yet in receipt of their pension benefits at the time the scheme pays offsets are initially determined. This approach assumes a "default split" of the scheme pays offsets between the pension and the lump sum. This is not intended to preclude members subsequently making use of existing flexibilities available within their scheme to reshape the mix of lump sum and pension benefits they receive (for example the inverse commutation option in AFPS05).

2.8　　Section 4 outlines how the initial benefit offsets should be calculated for members who are in receipt of their pension benefits at the time the scheme pays offsets are initially determined. This approach reflects that once the pension is in payment it will generally not be possible to attribute part of the offset to the pension lump sum (as this will have already been paid). This section also applies to all tax charges applicable to AFPS15, as that scheme does not provide an automatic retirement lump sum.

2.9　　The calculated initial benefit offsets will need to be adjusted to reflect the member's actual age at the point at which they are implemented, where this is not age 65. Section 5 discusses how the pension and lump sum offsets that were calculated in Sections 3 and 4 should be recalculated and applied to pension benefits in this situation.

2.10　　Section 6 provides clarification, and specific guidance, which need to be considered in particular circumstances. It is important that calculations under sections 3 to 5 reflect any amendments required by this section, where appropriate.

2.11　　Section 7 provides guidance on the Relevant Date that should be assumed when undertaking Annual Allowance calculations.

2.12　　Section 8 provides example calculations illustrating the calculation of scheme pays offsets.

2.13　　Section 9 sets out exclusions and limitations which apply to this guidance document.

2.14　　Appendix A provides the assumptions underlying the factors and Appendix B provides the factors that should be used when determining the scheme pays offsets.

3 Calculation of the initial benefit offsets – member not in receipt of pension benefits (AFPS75, AFPS05, FTRS and RFPS)

3.1 This section sets out the method and instructions for calculating the initial benefit offsets applicable where a member with an Annual Allowance charge, attributable to AFPS75, AFPS05, FTRS or RFPS, elects to utilise the scheme pays mechanism to meet this charge before beginning to draw their pension benefits. We note that:

- Initial benefit offsets should initially be determined with reference to a retirement age of 65. For the avoidance of doubt, this is different from the approach adopted for pension sharing on divorce which utilises members' current ages, or the deferred pension age of the benefits. The offsets will subsequently be adjusted to reflect the age at which the benefits are brought into payment.

- Pension debits resulting from pension sharing orders have a consequential impact on the benefits payable to spouses upon the member's death. This is not the case for Annual Allowance scheme pays benefit offsets.

- The initial benefit offsets, for members who are not in receipt of their pension benefits at the time of calculation, should be calculated using a proportionate split approach, by reducing both the pension and the lump sum proportionately. If members do not begin to draw their pension at age 65 then the pension and lump sum offsets will be adjusted using the separate pension and lump sum retirement adjustment factors as set out in Section 5.

- Section 4, not this section, will apply where pensions are already in payment at the time of the scheme pays election, and for all tax charges attributable to AFPS15.

Initial calculation of the benefit offsets

3.2 The principle underpinning the AFPS scheme pays mechanism for those not already in receipt of their pension benefits is that the benefit offsets should operate like a negative deferred pension and a negative deferred lump sum. These offsets should be expressed as a deduction to the member's benefits which are to be recovered assuming the pension benefits are drawn at age 65.

3.3 The calculation will be carried out at the Relevant Date for the particular member (as determined in accordance with Section 7 of this guidance). The calculation of the initial benefit offsets is:

$$\text{MEMOFF} = \text{AATAX} / \text{AADFAC}$$

$$\text{LSOFF} = \text{MEMOFF} \times 3$$

$$\text{SUROFF} = 0$$

Where:

MEMOFF	pension offset at the Relevant Date assuming retirement at age 65 – see 3.4
LSOFF	lump sum offset at the Relevant Date assuming retirement at age 65 – see 3.5
SUROFF	spouse's pension offset at the Relevant Date assuming retirement at age 65 – see 3.6
AATAX	the Annual Allowance tax charge that the member has notified the MOD that they wish to meet via the scheme pays mechanism (and which has been attributed to this AFPS - where members have transitioned into AFPS15)
AADFAC	the AA scheme pays "default conversion factor" from Table 1201 for the member's age at the Relevant Date

Initial benefit offset – pension offset

3.4   The pension payable to the member from the relevant AFPS at age 65 will be reduced by an amount equal to the member's initial pension offset ("MEMOFF"). However this initial pension offset will be increased in accordance with the Pension Increase Act (currently reflecting changes in CPI) during the period between the Relevant Date and the date the member eventually begins to draw their pension. The offset will be reduced if a member begins to draw their pension benefits earlier than age 65 or increased if the member begins to draw their pension later than age 65 (as set out in Section 5).

Initial benefit offset – lump sum offset

3.5   The lump sum payable to the member from the relevant AFPS at age 65 will be reduced by an amount equal to the member's initial lump sum offset ("LSOFF"). However this initial lump sum offset will be increased in accordance with the Pension Increase Act (currently reflecting changes in CPI) during the period between the Relevant Date and the date the member eventually begins to draw their pension. The offset will be reduced if a member begins to draw their pension earlier than age 65 or increased if the member begins to draw their pension later than age 65 (as set out in Section 5).

Initial benefit offset – spouses

3.6   The benefits payable to a spouse who is eligible for a pension on the member's death will not be reduced as a result of the Annual Allowance scheme pays mechanism. This is reflected in the above formula, as in all cases SUROFF is equal to zero. This will apply regardless of whether the member dies during active service, in deferment or after retirement.

Initial benefit offsets – other benefits

3.7   The following points apply to other benefits:

- No offset will be applied to children's pensions.

- No offset will be made to the lump sum death grant payable to the spouse of the serving personnel who were active members at the date of their death.

- No offset will be made from the death in deferment lump sum award that is payable to the spouse of the deferred member who incurred an Annual Allowance charge prior to exit, and elected for the scheme pays mechanism.

4 Calculation of the initial benefit offsets – tax charge attributable to AFPS15 – or member in receipt of pension benefits (all schemes)

4.1 This section sets out the method and instructions for calculating the initial benefit offsets applied to a member who incurs an Annual Allowance charge and elects to utilise the scheme pays mechanism to meet this charge after beginning to draw their pension benefits. It also applies to all scheme pays offsets attributable to AFPS15. We note that:

• The original legislation which provided for the Annual Allowance scheme pays mechanism required elections to be made and implemented before members began drawing their pension benefits. The MoD understands that this legislation remained in force until 5 April 2013. For that reason, this Section of the guidance should not be applied to any cases due to be implemented with effect from any date prior to that.

• The MoD understands that the requirement for schemes to implement scheme pays offsets prior to pension benefits being drawn no longer applies from 6 April 2013, as a consequence of The Registered Pension Schemes (Reduction in Pension Rates, Accounting and Assessment) (Amendment) Regulations 2013. Subsequent eligible scheme pays elections, in respect of members already in receipt of their pension benefits, should therefore be processed in accordance with this Section.

• Members already in receipt of pension benefits will generally have received their pension lump sum benefits prior to the calculation of the initial benefit offsets. In contrast to the process for active members outlined in Section 3 of this guidance, the MoD has determined that scheme pays offsets for retired members should therefore only be applied to the pension. In this situation no offset will therefore be applied to the member's lump sum.

• Pension offsets resulting from pension sharing orders have a consequential impact on the benefits payable to spouses upon the member's death. This will not be the case for scheme pays benefit offsets.

• For consistency with calculations under Section 3 of this guidance, scheme pays offsets made by retired members under this Section are initially calculated on the assumption that they will be applied from age 65. However an adjustment under Section 5 should immediately be made, with the pension offset being applied to the pension in payment from the Implementation Date (as defined in Section 5). AFPS15 scheme pays offsets will also be adjusted from age 65 in accordance with Section 5, at the point those benefits in that scheme are drawn.

4.2 Section 3, rather than this section, should be applied for tax charges attributable to members of schemes other than AFPS15, who were not in receipt of their benefits at the time the scheme pays election is made.

Initial calculation of the benefit offsets

4.3 In the circumstances where this section applies, there is no automatic lump sum payable from the relevant AFPS and so the principle underpinning the AFPS scheme pays mechanism is that a reduction will only be applied to the member's pension. The pension offset will be set up to operate like a negative deferred pension, to be recovered assuming that the pension benefits are to be drawn at age 65.

4.4 This calculation of the initial benefit offsets will be carried out at the Relevant Date for the particular member (as determined in accordance with Section 7 of this guidance).The initial benefit offsets will then be adjusted in accordance with Section 5 of this guidance. Where a member is already in receipt of their pension this adjustment will be applied immediately from the Implementation Date, whereas for active members of AFPS15 the adjustment will be applied when the pension is drawn.

4.5 The calculation of the initial offsets is:

MEMOFF = AATAX / AAPOFAC

LSOFF = 0

SUROFF = 0

Where:

MEMOFF	pension offset at the Relevant Date assuming retirement at age 65 – see 4.6
LSOFF	lump sum offset at the Relevant Date assuming retirement at age 65 – see 4.8
SUROFF	survivor's pension offset at the Relevant Date assuming retirement at age 65 – see 4.9
AATAX	the Annual Allowance tax charge that the member has notified the MoD that they wish to meet via the scheme pays mechanism (and which has been attributed to this AFPS – where members have transitioned to AFPS15)
AAPOFAC	the AA scheme pays "pension only conversion factor" from Table 1202 for the member's age at the Relevant Date

Benefit offset – pension offset

4.6 The pension that would have been payable to the member at age 65 will be reduced by an amount equal to the member's initial pension offset ("MEMOFF"). However, this pension offset will be increased in accordance with the Pension Increase Act (currently reflecting changes in CPI) during the period between the Relevant Date and the Implementation Date.

4.7 In most cases the member will be aged below 65 at the Implementation Date, and so the initial pension offset will need to be reduced to reflect that repayment will begin earlier than age 65. However, if the member is above age 65 at the implementation date, the pension offset will need to be increased to reflect that repayment will begin later than age 65 (as set out in Section 5).

Benefit offset – lump sum offset

4.8 In the cases where this section applies members would not generally be entitled to any further automatic lump sums from the scheme. However, where there are any remaining lump sum benefits due to be paid, these will not be reduced. AFPS15 members continue to be able to commute a lump sum from their pension, although the application of the scheme pays offset is likely to limit the maximum amount that a member can elect to commute. This is reflected in the above formula, as in all cases LSOFF is equal to zero.

Benefit offset – spouses

4.9 The benefits payable to a spouse who is eligible to a pension on the member's death will not be reduced as a result of the scheme pays mechanism. This is reflected in the above formula, as in all cases SUROFF is equal to zero.

Benefit offsets – other benefits

4.10 The following points apply to other benefits:

- No offset will be applied to children's pensions.

- No offset will be made to the lump sum death grant payable to the spouse of the serving personnel who were active members at the date of their death.

- No offset will be made from the death in deferment lump sum award that is payable to the spouse of the deferred member who incurred an Annual Allowance charge prior to exit, and elected for the scheme pays mechanism.

5 Adjusting the initial benefit offsets when they are applied other than at age 65

5.1 Sections 3 and 4 of this guidance indicate how the initial benefit offsets should be calculated, based upon an assumption that these will be applied to members' pension benefits from age 65. In many cases the benefit offsets will not be implemented at age 65, and so this section sets out the method and instructions for calculating the adjusted benefit offsets to be applied to the member's benefits at the point they are implemented. In many cases the implementation of offsets could be several years after the initial benefit offsets were calculated, however this guidance will also apply where members elect for the scheme pays mechanism at retirement, or when they are already in receipt of pension benefits (in accordance with Section 4 of this guidance).

5.2 In order to calculate the adjustment in this Section of the guidance it is necessary to determine the Implementation Date. Where a member's benefits are being adjusted at the point of retirement the Implementation Date will be the date from which the pension benefits become payable. Where members have made a scheme pays election whilst already in receipt of their pension benefits, the administrators will need to agree with the member the date from which their pension will be reduced, as a consequence of the scheme meeting the member's tax charge. In this situation, the agreed date will be the Implementation Date.

5.3 Once the Implementation Date has been defined it is necessary to calculate the total benefits that are payable at that date ignoring the impact of any benefit offsets. The pension is then reduced to allow for the pension offset and, where applicable, the lump sum is reduced to allow for the lump sum offset. The offset should be revalued from the Relevant Date (see Section 7) up to the Implementation Date in line with Pension Increase Orders (currently in line with changes in CPI).

5.4 The benefit offsets applied to the member's pension and lump sum are then adjusted if the benefits are put into payment earlier / later than the assumed recovery age of 65. This is because the pension offset will be applied over a longer / shorter period than was assumed in calculating the original amount of the offset, and so a lower / higher amount should be deducted (similarly the lump sum offset will have been applied earlier / later than originally anticipated). This will apply whether a member is retiring (or has retired) on normal or ill-health grounds, but in each case different adjustment factors will be used.

5.5 The pension, lump sum and spouses' benefit offsets to be applied at the Implementation Date are therefore:

$$\text{MEMOFF@ID} = \text{MEMOFF} \times \text{PI} \times \text{MEMADJ}$$

$$\text{LSOFF@ID} = \text{LSOFF} \times \text{PI} \times \text{LSADJ}$$

$$\text{SUROFF@ID} = 0$$

Where:

MEMOFF@ID	pension offset to be applied to the member's pension in this AFPS at the Implementation Date
LSOFF@ID	lump sum offset to be applied to the member's lump sum in this AFPS at the Implementation Date
SUROFF@ID	survivor's pension offset at the Implementation Date
MEMOFF	pension offset in this AFPS at Relevant Date – see 3.4 / 4.6
LSOFF	lump sum offset in this AFPS at Relevant Date – see 3.5 / 4.8
PI	the pension increase uprating factor between the Relevant Date and the Implementation Date
MEMADJ	pension adjustment factor at the member's age at the Implementation Date (taken from Table 1203A or 1204A)
LSADJ	lump sum adjustment factor at the member's age at the Implementation Date (taken from Table 1203B or 1204B)

5.6   For the avoidance of doubt, the factors used in the above calculation will in some cases be taken from a different set of guidance than the factors that were used to initially calculate offsets (as set out in 3.3 or 4.5 above). This reflects a difference in timing between the Relevant and Implementation dates.

5.7   In some circumstances a member of AFPS retiring on ill-health grounds will be exempted from incurring an Annual Allowance charge in respect of the Pension Input Period immediately prior to retirement. We note that these exemptions will not apply to all ill-health retirements from the military and I understand the MoD pension policy team have issued guidance on this matter.

5.8   Even where the exemptions do apply to a particular member, it is our understanding that they will only provide an exemption from incurring an Annual Allowance charge in that particular Pension Input Period. Any earlier benefit offset resulting from previous Annual Allowance charges will still apply. Where pre-existing offsets are applied to an ill-health pension different adjustment factors will be used from those applicable in other situations.

6 Additional guidance for certain specific circumstances

Early Departure Payments

6.1 GAD understand that payments from the Early Departure Payment Scheme are not benefits payable from a Registered Pension Scheme. These benefits are therefore unaffected by AA Scheme Pays benefit offsets. Example 2 illustrates how Scheme Pays benefit offsets should instead be applied to the deferred pension in these circumstances.

Interaction between AA Scheme Pays and LTA charges

6.2 HMRC have informed the MoD that when calculating LTA charges, the pension tested should be that which would come into payment after allowing for the impact of any AA Scheme Pays offsets. The calculations set out in this document should therefore be carried out prior to any LTA test being applied to these members' benefits.

Multiple AA Scheme Pays offsets

6.3 Some members may breach the Annual Allowance on more than one occasion during their careers. Since there is not a limit on the number of times a member may opt to utilise scheme pays (subject to usual eligibility), a member may also have multiple AA Scheme Pays offsets. In this circumstance each offset can be considered separately and treated in accordance with the relevant guidance. Example 5 in this note illustrates a situation where a member receives two AA tax charges, and the consequential offsets that are applied to the member's benefits in that situation.

Interaction between AA Scheme Pays offsets and Pension debits

6.4 It is possible for members to have both AA Scheme Pays offsets and pension debits resulting from Pension Sharing on Divorce (PSOD). In this case each instance of the AA Scheme Pays offset or the PSOD pension debits is treated in accordance with the relevant set of guidance.

Members who transferred into AFPS15 in April 2015

6.5 Where a member who has transitioned into AFPS15 subsequently receives an Annual Allowance charge the MoD will apportion the tax charges appropriately between AFPS15 and the other AFPS in which the accrued rights were built up. Separate scheme pays offsets will then be calculated individually, for each scheme in isolation, and applied to the benefits payable from that scheme. Where this occurs, the point at which the pension benefits begin to be drawn from each scheme, and so the point at which the scheme pays offsets are implemented, may not necessarily be the same.

AFPS75 deferred members with different NRAs

6.6   In the unlikely event that an AFPS75 member who exited service with deferred benefits has an Annual Allowance scheme pays offset the calculation of offsets will need to be considered at the members first deferred pension payment age (i.e. age 60). These cases should be approached on an individual basis after seeking guidance from the MOD pension policy team and GAD.

Members exercising options at the point of retirement

6.7   Some members of the AFPS are able to exercise options at the point of retirement, such as allocation or inverse commutation in the AFPS05 scheme, or commutation in AFPS15. This paper does not attempt to illustrate the interaction between AA scheme pays offsets and any of these member options. For example, scheme pays offsets applied to AFPS15 benefits would be expected to affect the maximum amount of pension that can be commuted at retirement.

Impact of scheme pays offsets on Annual Allowance calculations for subsequent Pension Input Periods

6.8   The MoD has liaised with HMRC and understands that Section 237E of the Finance Act 2004 does not specify when the just and reasonable adjustment to the member's entitlement to benefits should be deemed to occur. It is necessary for the MoD to determine this, as once a benefit adjustment is deemed to have occurred it will be necessary to reflect this in subsequent Pension Input Periods, when determining whether the Annual Allowance has been breached.

6.9   We understand that the MoD's policy is that the calculation of the initial benefit offsets, in accordance with Section 3 and 4 of this guidance, would not generally imply that a consequential benefit adjustment has occurred. In most cases the adjustment would therefore only be deemed to occur at the point at which the scheme pays offset is applied to the members benefits, generally at the point where Section 5 of this guidance is applied. Where necessary, the administrators should seek further guidance from the MoD pension policy unit if it is unclear whether any particular benefit offset should be included in a subsequent Annual Allowance calculation.

7   Relevant Date

7.1   The calculations set out in Sections 3, 4 and 5 of this guidance require a Relevant Date to be adopted. The MoD has provided guidance that should be used when calculating scheme pays offsets within AFPS. Our understanding of this advice is set out below, although the administrators should confirm with the MoD pensions policy team if this guidance is not clear or further clarification is required.

7.2   In the following paragraphs of this note the Relevant Date is determined differently depending on the timing of the Scheme Pays calculation relative to a member's date of retirement. In this context references to "retirement" should be interpreted as the date at which a member first begins to receive pension benefits from the relevant tax registered pension scheme. For the avoidance of doubt, this does not include benefits payable under Early Departure Payment legislation.

7.3   The Relevant Date will generally be the 5th April at the end of the tax year which triggered the Annual Allowance charge.

7.4   However, where a member retires during a tax year, and requests that a scheme pays deduction is applied to their pension benefits from that date, then the Relevant Date is the retirement date.

7.5   Where a member is already in receipt of their pension benefits at the point at which they elect for Annual Allowance scheme pays, the Relevant Date will be the 5th April at the end of the tax year which triggered the Annual Allowance charge.

7.6   We note that in the unlikely event that a member:

- retires during the PIP in which an Annual Allowance charge is incurred

- does not elect for Annual Allowance scheme pays prior to beginning to draw pension benefits

- but does then make an Annual Allowance scheme pays election for implemented prior to the end of the 5th April following the PIP

    further guidance on an appropriate Relevant Date should be sought from the MoD pensions policy team.

7.7   Where members incur multiple Annual Allowance charges, and then elect for Annual Allowance scheme pays on more than one occasion, the consequential benefits for each will be calculated separately. In this situation each scheme pays election would therefore be expected to have a different Relevant Date.

8   Example Calculations

8.1   This section provides examples of the calculations described by this note.

8.2   Examples for both the AFPS05 and AFPS75 schemes and various retirement scenarios are included. The circumstances to which the specific example relates is specified at the start of the example. Other than where indicated, members are assumed not to have retired on grounds of ill-health.

8.3   Example 7 illustrates the interaction between pension sharing on divorce and scheme pays offsets.

8.4   Example 9 illustrates the operation of the scheme pays mechanism for a member of AFPS15.

8.5   The examples in this document are intended to illustrate the scheme pays process and calculations, and be indicative of how the administration process will operate. Detailed verification of whether the scenarios can be realised in practice has not been undertaken.

Example 1: AFPS75 member incurring tax charge at age 30 and retiring with an immediate pension payable from age 40

Action at the time the tax charge is incurred

Data required for calculations

General Scheme Information

Pension Scheme	AFPS75
Relevant Date	5 April 2019

Member Information

Member date of birth	1 January 1989
Member age last birthday at Relevant Date	30
Tax charge (AATAX)	£10,000

Calculation of the Initial Benefit Offsets:

Formulae to be used for calculation of initial offsets (from section 3.3 above):

MEMOFF = AATAX / AADFAC   (The AADFAC for a 30 year old in table 1201 is 9.09)
LSOFF   = MEMOFF x 3
SUROFF = 0

Therefore we can calculate the initial pension, lump sum and survivors' benefit offsets at the Relevant Date as:

MEMOFF = £10,000 / 9.09   = £1,100.11
LSOFF =   3 * £1,100.11   = £3,300.33
SUROFF =   £0

Action at Retirement - Calculation of Member's Benefits at Retirement (allowing for benefit offsets)

Date of retirement (the "Implementation Date")	1 January 2029
Age at retirement	40 years and 0 months
Full pension at retirement	£15,000
Full lump sum at retirement	£45,000
Full contingent spouse's pension	£7,500
Cumulative pension Increase from Relevant Date to retirement (PI)	20%

This pension increase factor is an assumed figure for example calculation purposes only and is not the actual or expected pension increase factor to apply from the date of the calculation to the date of retirement.

Inputs		Factors
MEMOFF =	£1,100.11	MEMADJ = 0.358 (from Table 1203A for a member aged 40 years and 0 months)
LSOFF =	£3,300.33	LSADJ = 0.553 (from Table 1203B for a member aged 40 years and 0 months)
SUROFF =	£0	
PI =	1.20	

Formulae to be used for calculation of benefit offsets at retirement (from section 5.5 above):

MEMOFF@ID =   MEMOFF $\times$ PI $\times$ MEMADJ
LSOFF@ID =   LSOFF $\times$ PI $\times$ LSADJ
SUROFF@ID =   £0

Therefore we can calculate the pension, lump sum and survivors' benefit offsets at the retirement date as:

MEMOFF@ID =   £1,100.11 * 1.20 * 0.358   = £472.61
LSOFF@ID =   £3,300.33 * 1.20 * 0.553   = £2,190.10
SUROFF@ID =   £0

Therefore the member's actual entitlement to benefits at retirement after the application of the Annual Allowance benefit offsets will be:

Actual Pension payable   = £15,000 - £472.61   = £14,527.39

Actual Lump Sum payable   = £45,000 - £2,190.10   = £42,809.90

Survivor's Pension payable   = £7,500 - £0   = £7,500

Example 2: AFPS05 member incurring tax charge at age 30 and retiring with an EDP payable from age 40 (deferred pension is payable from age 65)

Action at the time the tax charge is incurred

Data required for calculations

General Scheme Information

Pension Scheme	AFPS05
Relevant Date	5 April 2019

Member Information

Member date of birth	1 January 1989
Member age last birthday at Relevant Date	30
Tax charge (AATAX)	£10,000

Calculation of the Initial Benefit Offsets:

Formulae to be used for calculation of initial offsets (from section 3.3 above):

MEMOFF = AATAX / AADFAC	(The AADFAC for a 30 year old in table 1201 is 9.09)
LSOFF = MEMOFF x 3	
SUROFF = 0	

Therefore we can calculate the initial pension, lump sum and survivors' benefit offsets at the Relevant Date as:

MEMOFF =	£10,000 / 9.09	= £1,100.11
LSOFF =	3 * £1,100.11	= £3,300.33
SUROFF =	£0	

Action at Retirement - Calculation of Member's Benefits at Retirement (allowing for benefit offsets)

Date of retirement (the "Implementation Date")	1 January 2054*
Age at retirement	65 years and 0 months
Full pension at retirement	£15,000
Full lump sum at retirement	£45,000
Full contingent spouse's pension	£9,375
Cumulative pension Increase from Relevant Date to retirement (PI)	60%

This pension increase factor is an assumed figure for example calculation purposes only and is not the actual or expected pension increase factor to apply from the date of the calculation to the date of retirement.

* In this case the retirement date is the date the pension comes into payment upon cessation of the EDP at age 65.

Inputs		Factors
MEMOFF =	£1,100.11	MEMADJ = 1.000 (from Table 1203A for a member aged 65 years and 0 months)
LSOFF =	£3,300.33	LSADJ = 1.000 (from Table 1203B for a member aged 65 years and 0 months)
SUROFF =	£0	Adjustments of 1.000 apply (i.e. effectively no adjustment) as benefits are payable at expected retirement age.
PI =	1.60	

Formulae to be used for calculation of benefits at retirement (from section 5.5 above):

MEMOFF@ID =   MEMOFF $\times$ PI $\times$ MEMADJ
LSOFF@ID =   LSOFF $\times$ PI $\times$ LSADJ
SUROFF@ID =   £ 0

Therefore we can calculate the pension, lump sum and survivors' benefit offsets at the retirement date as:

MEMOFF@ID =   £1,100.11 * 1.60 * 1.000   = £1,760.18
LSOFF@ID =   £3,300.33 * 1.60 * 1.000   = £5,280.53
SUROFF@ID =   £0

Therefore the member's actual entitlement to benefits at retirement after the application of the Annual Allowance benefits offsets will be:

Actual Pension payable   = £15,000 - £1,760.18   = £13,239.82

Actual Lump Sum payable   = £45,000 - £5,280.53   = £39,719.47

Survivor's Pension payable   = £9,375 - £0   = £9,375

Note: The EDP benefits payable to this member will be unaffected by the benefit offsets resulting from the Annual Allowance charge.

Example 3: AFPS75 member incurring tax charge at age 40 in the year of retirement with an immediate pension

Action at the time the tax charge is incurred

Data required for calculations

General Scheme Information

Pension Scheme	AFPS75
Relevant Date	1 January 2019

Member Information

Member date of birth	1 January 1979
Member age last birthday at Relevant Date	40
Tax charge (AATAX)	£10,000

Calculation of the Initial Benefit Offsets:

Formulae to be used for calculation of initial offsets (from section 3.3 above):

MEMOFF = AATAX / AADFAC   (The AADFAC for a 40 year old in table 1201 is 11.24)
LSOFF   = MEMOFF x 3
SUROFF = 0

Therefore we can calculate the initial pension, lump sum and survivors' benefit offsets at the Relevant Date as:

MEMOFF =   £10,000 / 11.24   = £889.68
LSOFF =   3 * £889.68   = £2,669.04
SUROFF =   £0

Action at Retirement - Calculation of Member's Benefits at Retirement (allowing for benefit offsets)

Date of retirement (the "Implementation Date")	1 January 2019
Age at retirement	40 years and 0 months
Full pension at retirement	£15,000
Full lump sum at retirement	£45,000
Full contingent spouse's pension	£7,500
Cumulative pension Increase from Relevant Date to retirement	0%

This pension increase factor is an assumed figure for example calculation purposes only and is not the actual or expected pension increase factor to apply from the date of the calculation to the date of retirement.

Inputs		Factors
MEMOFF =	£889.68	MEMADJ at age 40 = 0.358 (from Table 1203A for a member aged 40 years and 0 months)
LSOFF =	£2,669.04	
SUROFF =	£0	LSADJ at age 40 = 0.553 (from Table 1203B for a member aged 40 years and 0 months)
PI =	1.00	

Formulae to be used for calculation of benefit offsets at retirement (from section 5.5 above):

MEMOFF@ID =   MEMOFF $\times$ PI $\times$ MEMADJ
LSOFF@ID =   LSOFF $\times$ PI $\times$ LSADJ
SUROFF@ID =   £0

Therefore we can calculate the pension, lump sum and survivors' benefit offsets at the retirement date as:

MEMOFF@ID =   £889.68 * 1.00 * 0.358   = £318.51
LSOFF@ID =   £2,669.04 * 1.00 * 0.553   = £1,475.98
SUROFF@ID =   £0

Therefore the member's actual entitlement to benefits at retirement after the application of the Annual Allowance benefit offsets will be:

Actual Pension payable   = £15,000 - £318.51   = £14,681.49

Actual Lump Sum payable   = £45,000 - £1,475.98   = £43,524.02

Survivor's Pension payable   = £7,500 - £0   = £7,500

Example 4: AFPS05 member incurring tax charge at age 45 in the year of retirement on non-attributable Tier 3 ill-health grounds (and who does not satisfy HMRC's "severe ill-health" criteria)

Action at the time the tax charge is incurred

Data required for calculations

General Scheme Information

Pension Scheme	AFPS05
Relevant Date	1 January 2019

Member Information

Member date of birth	1 January 1974
Member age last birthday at Relevant Date	45
Tax charge (AATAX)	£10,000

Calculation of the Initial Benefit Offsets:

Formulae to be used for calculation of initial offsets (from section 3.3 above):

MEMOFF = AATAX / AADFAC   (The AADFAC for a 45 year old in table 1201 is 12.54)
LSOFF   = MEMOFF x 3
SUROFF = 0

Therefore we can calculate the initial pension, lump sum and survivors' benefit offsets at the Relevant Date as:

MEMOFF =   £10,000 / 12.54   = £797.45
LSOFF =   3 * £797.45   = £2,392.35
SUROFF =   £0

Action at Retirement - Calculation of Member's Benefits at Retirement (allowing for benefit offsets)

Date of retirement (the "Implementation Date")	1 January 2019
Age at retirement	45 years and 0 months
Full pension at retirement	£15,000
Full lump sum at retirement	£45,000
Full contingent spouse's pension	£9,375
Cumulative pension Increase from Relevant Date to retirement (PI)	0%

This pension increase factor is an assumed figure for example calculation purposes only and is not the actual or expected pension increase factor to apply from the date of the calculation to the date of retirement.

Inputs		Factors
MEMOFF =	£797.45	MEMADJ = 0.402 (from Table 1204A for a member aged 45 years and 0 months)
LSOFF =	£2,392.35	
SUROFF =	£0	LSADJ = 0.622 (from Table 1204B for a member aged 45 years and 0 months)
PI =	1.00	

Formulae to be used for calculation of benefit offsets at retirement (from section 5.5 above):

MEMOFF@ID = MEMOFF $\times$ PI $\times$ MEMADJ
LSOFF@ID = LSOFF $\times$ PI $\times$ LSADJ
SUROFF@ID = £0

Therefore we can calculate the pension, lump sum and survivors' benefit offsets at the retirement date as:

MEMOFF@ID = £797.45 * 1.00 * 0.402 = £320.57
LSOFF@ID = £2,392.35 * 1.00 * 0.622 = £1,488.04
SUROFF@ID = £0

Therefore the member's actual entitlement to benefits at retirement after the application of the Annual Allowance benefit offsets will be:

Actual Pension payable	= £15,000 - £320.57	= £14,679.43
Actual Lump Sum payable	= £45,000 - £1,488.04	= £43,511.96
Survivor's Pension payable	= £9,375 - £0	= £9,375

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Example 5: AFPS05 member incurring multiple tax charges (at ages 50 and 53) who retires with an immediate pension payable from age 55

Action at the time the tax charge is incurred

Data required for calculations

General Scheme Information

Pension Scheme	AFPS05
Relevant Date for first Annual Allowance charge	5 April 2017
Relevant Date for second Annual Allowance charge	5 April 2020

Member Information

Member date of birth	1 January 1967
Member age last birthday at First Relevant Date	50
Member age last birthday at Second Relevant Date	53
First Annual Allowance tax charge (AATAX1)	£10,000
Second Annual Allowance tax charge (AATAX2)	£5,000

Calculation of the Initial Benefit Offsets:

Formulae to be used for calculation of initial offsets (from section 3.3 above) for each tax charge (i.e. AATAX1 and AATAX2):

MEMOFF = AATAX / AADFAC (The AADFAC for 50 and 53 year olds in table 1201 are 14.00 & 14.98)
LSOFF = MEMOFF x 3
SUROFF = 0

Therefore we can calculate the initial pension, lump sum and survivors' benefit offsets at the Relevant Date (for each tax charge incurred) as:

First Annual Allowance tax charge

MEMOFF1 = £10,000 / 14.00 = £714.29
LSOFF1 = 3 * £714.29 = £2,142.87
SUROFF1 = £0

Second Annual Allowance tax charge

MEMOFF2 = £5,000 / 14.98 = £333.78
LSOFF2 = 3 * £333.78 = £1,001.34
SUROFF2 = £0

Action at Retirement - Calculation of Member's Benefits at Retirement (allowing for benefit offsets)

Date of retirement (the "Implementation Date")	1 January 2022
Age at retirement	55 years and 0 months
Full pension at retirement	£60,000
Full lump sum at retirement	£180,000
Full contingent spouse's pension	£37,500
Cumulative pension Increase from First Relevant Date to retirement (PI1)	12%
Cumulative pension Increase from Second Relevant Date to retirement (PI2)	4%

This pension increase factor is an assumed figure for example calculation purposes only and is not the actual or expected pension increase factor to apply from the date of the calculation to the date of retirement.

Inputs		Factors
MEMOFF1 =	£714.29	MEMADJ = 0.599 (from Table 1203A for a member aged 55 years and 0 months)
LSOFF1 =	£2,142.87	
SUROFF1 =	£0	LSADJ = 0.789 (from Table 1203B for a member aged 55 years and 0 months)
PI1 =	1.12	
MEMOFF2 =	£333.78	
LSOFF2 =	£1,001.34	
SUROFF2 =	£0	
PI2 =	1.04	

Formulae to be used for calculation of benefit offsets at retirement (from section 5.5 above) for each tax charge:

$$\text{MEMOFF@ID} = \text{MEMOFF} \times \text{PI} \times \text{MEMADJ}$$
$$\text{LSOFF@ID} = \text{LSOFF} \times \text{PI} \times \text{LSADJ}$$
$$\text{SUROFF@ID} = £0$$

Therefore we can calculate the pension, lump sum and survivors' benefit offsets (in respect of both tax charges) at the retirement date as:

First Annual Allowance Tax Charge

MEMOFF1@ID =	£714.29 * 1.12 * 0.599	= £479.20
LSOFF1@ID =	£2,142.87 * 1.12 * 0.789	= £1,893.61
SUROFF1@ID =	£0	

Second Annual Allowance Tax Charge

MEMOFF2@ID =	£333.78 * 1.04 * 0.599	= £207.93
LSOFF2@ID =	£1,001.34 * 1.04 * 0.789	= £821.66
SUROFF2@ID =	£0	

Therefore the member's actual entitlement to benefits at retirement after the application of the Annual Allowance benefit offsets (in respect of both tax charges) will be:

Actual Pension payable	= £60,000 - 479.20 - £207.93	= £59,312.87
Actual Lump Sum payable	= £180,000 - £1,893.61 - £821.66	= £177,284.73
Survivor's Pension payable	= £37,500 - £0	= £37,500

Example 6: AFPS05 member incurring tax charge at age 30 and who later leaves service with a deferred pension payable from age 65

Action at the time the tax charge is incurred

Data required for calculations

General Scheme Information

Pension Scheme	AFPS05
Relevant Date	5 April 2019

Member Information

Member date of birth	1 January 1989
Member age last birthday at Relevant Date	30
Tax charge (AATAX)	£10,000

Calculation of the Initial Benefit Offsets:

Formulae to be used for calculation of initial offsets (from section 3.3 above):

MEMOFF = AATAX / AADFAC   (The AADFAC for a 30 year old in table 1201 is 9.09)
LSOFF   = MEMOFF x 3
SUROFF = 0

Therefore we can calculate the initial pension, lump sum and survivors' benefit offsets at the Relevant Date as:

MEMOFF =   £10,000 / 9.09   = £1,100.11
LSOFF =   3 * £1,100.11   = £3,300.33
SUROFF =   £0

Action at Retirement - Calculation of Member's Benefits at Retirement (allowing for benefit offsets)

Date of retirement (the "Implementation Date")	1 January 2054
Age at retirement	65 years and 0 months
Full pension at retirement	£15,000
Full lump sum at retirement	£45,000
Full contingent spouse's pension	£9,375
Cumulative pension Increase from Relevant Date to retirement (PI)	60%

This pension increase factor is an assumed figure for example calculation purposes only and is not the actual or expected pension increase factor to apply from the date of the calculation to the date of retirement.

Inputs		Factors
MEMOFF =	£1,100.11	MEMADJ = 1.000 (from Table 1203A for a member aged 65 years and 0 months)
LSOFF =	£3,300.33	LSADJ = 1.000 (from Table 1203B for a member aged 65 years and 0 months)
SUROFF =	£0	Adjustments of 1.000 apply (i.e. effectively no adjustment) as benefits are payable at expected retirement age.
PI =	1.60	

Formulae to be used for calculation of benefit offsets at retirement (from section 5.5 above):

MEMOFF@ID =   MEMOFF $\times$ PI $\times$ MEMADJ
LSOFF@ID =   LSOFF $\times$ PI $\times$ LSADJ
SUROFF@ID =   £0

Therefore we can calculate the pension, lump sum and survivors' benefit offsets at the retirement date as:

MEMOFF@ID =   £1,100.11 * 1.60 * 1.000   = £1,760.18
LSOFF@ID =   £3,300.33 * 1.60 * 1.000   = £5,280.53
SUROFF@ID =   £0

Therefore the member's actual entitlement to benefits at retirement after the application of the Annual Allowance benefits offsets will be:

Actual Pension payable   = £15,000 - £1,760.18   = £13,239.82

Actual Lump Sum payable   = £45,000 - £5,280.53   = £39,719.47

Survivor's Pension payable   = £9,375 - £0   = £9,375

Note: This example indicates that the offsets applied to a deferred benefit in AFPS05 are unaffected by whether the member also receives an EDP (as the EDP is not a Registered Pension Scheme).

Example 7: AFPS75 member incurring tax charge at age 53 and who later leaves service with an immediate pension at age 56 (but who had a divorce pension debit which was calculated at age 50)

Action at the time the tax charge is incurred

Data required for calculations
General Scheme Information
Pension Scheme	AFPS75
Relevant Date for Annual Allowance charge	6 April 2020
Member Information
Member date of birth	1 January 1967
Member age last birthday at Relevant Date	53
Annual Allowance tax charge (AATAX)	£15,000
Date pension debit set up	1 January 2017
Age at which debit assumed to come into payment (i.e. immediately)	50
Pension divorce debit at date set up (MEMDEB)	£1,000
Lump sum divorce debit at original date set up (LSDEB)	£3,000
Contingent spouse divorce debit at date set up (SURDEB)	£500

Calculation of the Initial Benefit Offsets:

Formulae to be used for calculation of initial offsets (from section 3.3 above):

MEMOFF	= AATAX / AADFAC	(The AADFAC for a 53 year old in table 1201 is 14.98)
LSOFF	= MEMOFF x 3	
SUROFF	= 0	

Therefore we can calculate the initial pension, lump sum and survivors' benefit offsets at the Relevant Date as:

MEMOFF =	£15,000 / 14.98	= £1,001.34
LSOFF =	3 * £1,001.34	= £3,004.02
SUROFF =	£0	

Action at Retirement - Calculation of Member's Benefits at Retirement (allowing for benefit offsets)

Date of retirement (the "Implementation Date")	1 January 2023
Age at retirement	56 years and 0 months
Full pension at retirement	£60,000
Full lump sum at retirement	£180,000
Full contingent spouse's pension	£30,000
Cumulative pension Increase from Relevant Date to retirement (PI)	9%
Cumulative pension Increase from date divorce debit set up to retirement (PID)	18%

This pension increase factor is an assumed figure for example calculation purposes only and is not the actual or expected pension increase factor to apply from the date of the calculation to the date of retirement.

Inputs		Factors
MEMOFF =	£1,001.34	MEMADJ = 0.627 (from Table 1203A for a member aged 56 years and 0 months)
LSOFF =	£3,004.02	

SUROFF =	£0	LSADJ = 0.808 (from Table 1203B for a member aged 56 years and 0 months)
PI =	1.09	

Formulae to be used for calculation of benefit offsets at retirement (from section 5.5 above):

MEMOFF@ID = MEMOFF × PI × MEMADJ
LSOFF@ID = LSOFF × PI × LSADJ
SUROFF@ID = £0

Therefore we can calculate the pension, lump sum and survivors' benefit offsets at the retirement date as:

MEMOFF@ID = £1,001.34 * 1.09 * 0.627 = £684.35
LSOFF@ID = £3,004.02 * 1.09 * 0.808 = £2,645.70
SUROFF@ID = £0

The pension, lump sum and survivors' divorce debits at retirement are calculated in line with our latest PSOD guidance.

Using the methodology in the PSOD guidance we calculate the pension, lump sum and survivors' debits in the following way:

Factors

MEMERF at assumed pension age 50 (from table 311 of divorce guidance) = 0.645
MEMERF at actual pension age 56 (from table 311 of divorce guidance) = 0.825
LSERF at assumed pension age 50 (from table 311 of divorce guidance) = 0.789
LSERF at assumed pension age 56 (from table 311 of divorce guidance) = 0.909
PID (for divorce - from table above – referred to as PI in divorce guidance) = 1.18

Formulae

Pension Debit at retirement = MEMDEB x PID x (MEMERF at actual pension age / MEMERF at assumed pension age)

LS Debit at retirement = LSDEB x PID x (LSERF at actual pension age / LSERF at assumed pension age)

Survivors' benefit debit at retirement = SURDEB x PID

Therefore the divorce benefit debits at the retirement date are:

Divorce pension debit at retirement   = £1,000 * 1.18 * 0.825 / 0.645 = £1,509.30

Divorce lump sum debit at retirement = £3,000 * 1.18 * 0.909 / 0.789 = £4,078.40

Survivors divorce debit at retirement = £500 * 1.18 = £590.00

Therefore the member's actual entitlement to benefits at retirement after the application of the Annual Allowance benefit offset and the divorce benefit debits will be:

Actual Pension payable = £60,000 - £684.35 – £1,509.30 = £57,806.35

Actual Lump Sum payable = £180,000 - £2,645.70 - £4,078.40 = £173,275.90

Survivor's Pension payable = £30,000 - £0 - £590 = £29,410

Example 8: AFPS75 member leaving service at age 50 and who later elects for scheme pays which is implemented from age 51

Action at the time the tax charge is incurred

Data required for calculations

General Scheme Information

Pension Scheme	AFPS75
Relevant Date for Annual Allowance charge	5 April 2020

(member leaves service on 2 January 2020 and is later notified that they incurred an Annual Allowance charge during the 2019/20 Pension Input Period)

Member Information

Member date of birth	1 January 1970
Member age last birthday at Relevant Date	50
Annual Allowance tax charge (AATAX)	£15,000

Calculation of the Initial Benefit Offsets:

Formulae to be used for calculation of initial offsets (from section 4.5 above):

$$\text{MEMOFF} = \text{AATAX} / \text{AAPOFAC} \quad \text{(The AAPOFAC for a 50 year old in table 1202 is 11.87)}$$
$$\text{LSOFF} = 0$$
$$\text{SUROFF} = 0$$

Therefore we can calculate the initial pension, lump sum and survivors' benefit offsets at the Relevant Date as:

MEMOFF =	£15,000 / 11.87 = £1,263.69
LSOFF =	£0
SUROFF =	£0

Action at Implementation Date - Calculation of Member's Benefits at Implementation Date (allowing for benefit offsets)

Agreed Implementation Date for Annual Allowance charge	1 July 2021
Full pension at implementation date	£60,000
Full lump sum at implementation date	£0
Full contingent spouse's pension	£30,000
Age at Implementation Date	51 years and 6 months
Cumulative pension Increase from Relevant date to Implementation Date (PI)	3%

This pension increase factor is an assumed figure for example calculation purposes only and is not the actual or expected pension increase factor to apply from the date of the calculation to the date of retirement.

Inputs		Factors
MEMOFF =	£1,263.69	MEMADJ = 0.519 (from Table 1203A for a member aged 51 years and 6 months)
LSOFF =	£0	
SUROFF =	£0	
PI =	1.03	

Formulae to be used for calculation of benefit offsets at retirement (from section 5.5 above):

MEMOFF@ID =   MEMOFF $\times$ PI $\times$ MEMADJ
LSOFF@ID =   £0
SUROFF@ID =   £0

Therefore we can calculate the pension, lump sum and survivors' benefit offsets at the retirement date as:

MEMOFF@ID =   £1,263.69 * 1.03 * 0.519   = £675.53
LSOFF@ID =   £0
SUROFF@ID =   £0

Therefore the member's actual entitlement to benefits after the application of the Annual Allowance benefit offset (and allowing for pension increases between the retirement date and the Implementation Date) will be:

Actual Pension payable   = £60,000 - £675.53   = £59,324.47

Actual Lump Sum payable*   = £0   = £0

Survivor's Pension payable   = £30,000 - £0   = £30,000

*(the Lump Sum payment was made on retirement, and so there is no further entitlement to a lump sum).

Example 9: AFPS15 member incurring tax charge at age 30 and retiring with an EDP payable from age 40 (deferred pension is payable from age 68)

Action at the time the tax charge is incurred

Data required for calculations

General Scheme Information

Pension Scheme	AFPS15
Relevant Date	5 April 2019

Member Information

Member date of birth	1 January 1989
Member age last birthday at Relevant Date	30
Tax charge (AATAX)	£10,000

Calculation of the Initial Benefit Offsets:

Formulae to be used for calculation of initial offsets (from section 4.5 above):

MEMOFF = AATAX / AAPOFAC	(The AAPOAC for a 30 year old in table 1202 is 7.76)
LSOFF = 0	
SUROFF = 0	

Therefore we can calculate the initial pension, lump sum and survivors' benefit offsets at the Relevant Date as:

MEMOFF =	£10,000 / 7.76	= £1,288.66
LSOFF =	£0	
SUROFF =	£0	

Action at Retirement - Calculation of Member's Benefits at Retirement (allowing for benefit offsets)

Date of retirement (the "Implementation Date")	1 January 2057*
Age at retirement	68 years and 0 months
Full pension at retirement	£15,000
Full lump sum at retirement	£0
Full contingent spouse's pension	£9,375
Cumulative pension Increase from Relevant Date to retirement (PI)	70%

This pension increase factor is an assumed figure for example calculation purposes only and is not the actual or expected pension increase factor to apply from the date of the calculation to the date of retirement.

* In this case the retirement date is the date the pension comes into payment upon cessation of the EDP at age 68.

Inputs		Factors
MEMOFF =	£1,288.66	MEMADJ = 1.206 (from Table 1203A for a member aged 68 years and 0 months)
LSOFF =	£0	
SUROFF =	£0	
PI =	1.70	

Formulae to be used for calculation of benefits at retirement (from section 5.5 above):

MEMOFF@ID =   MEMOFF $\times$ PI $\times$ MEMADJ
LSOFF@ID =   £ 0
SUROFF@ID =   £ 0

Therefore we can calculate the pension, lump sum and survivors' benefit offsets at the retirement date as:

MEMOFF@ID =   £1,288.66 * 1.70 * 1.206   = £2,642.01
LSOFF@ID =   £0
SUROFF@ID =   £0

Therefore the member's actual entitlement to benefits at retirement after the application of the Annual Allowance benefits offsets will be:

Actual Pension payable   = £15,000 - £2,642.01   = £12,537.99

Actual Lump Sum payable   = £0 - £0   = £0

Survivor's Pension payable   = £9,375 - £0   = £9,375

Note: The EDP benefits payable to this member will be unaffected by the benefit offsets resulting from the Annual Allowance charge.

The member may commute part of the "Actual Pension payable" for a lump sum under the standard conversion terms offered by AFPS15.

9   Exclusions and limitations

9.1   This guidance should not be used for any purpose other than those set out in this guidance.

9.2   The factors contained in this guidance are subject to regular review. Scheme managers and administrators need to ensure that they are using the latest factors, as relevant, when processing cases.

9.3   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.

9.4   This guidance only covers the actuarial principles around the calculation and application of Annual Allowance scheme pays offset factors. Any legal advice in this area should be sought from an appropriately qualified person or source.

9.5   Scheme managers and administrators should satisfy themselves that Annual Allowance scheme pays offset calculations comply with all legislative requirements including, but not limited to, tax and contracting-out requirements.

9.6   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 MoD and GAD. Under no circumstances should this guidance take precedence over the Regulations. Administrators should ensure that they comply with all relevant Regulations.

Third party reliance

9.7   This guidance has been prepared for the use of MoD 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 MoD and the scheme administrator's website but must not otherwise be reproduced, distributed or communicated in whole or in part to any other person without GAD's prior written permission.

9.8   Other than MoD 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.

Appendix A: Assumptions underlying actuarial factors

Financial assumptions

Nominal discount rate	4.448%
Real discount rate (in excess of CPI)	2.40%

Mortality assumptions

Base mortality tables	S2PMA and S2PFA
Base table adjustment	110% of Standard Tables
Future mortality improvement	Based on ONS principal UK population projections 2016
Year of use	2020

Other assumptions

Proportion of male members for the purpose of unisexing factors	90%
Age difference between member and partner	Male members assumed to be 3 years older than partner. Female members assumed to be 3 years younger than partner.
Allowance for commutation	Nil

Appendix B: Tables of factors

Scheme Pays conversion factors – UNISEX
Tables 1201 and 1202 in consolidated factors spreadsheet
AFPS75, AFPS05, AFPS15, FTRS and RFPS members

Age last birthday at relevant date	"Default" conversion factor	"Pension only" conversion factor
16	6.77	5.82
17	6.91	5.94
18	7.06	6.07
19	7.21	6.19
20	7.36	6.32
21	7.52	6.45
22	7.68	6.59
23	7.84	6.72
24	8.01	6.86
25	8.18	7.00
26	8.35	7.15
27	8.53	7.30
28	8.71	7.45
29	8.90	7.61
30	9.09	7.76
31	9.28	7.93
32	9.48	8.09
33	9.68	8.26
34	9.89	8.44
35	10.10	8.61
36	10.32	8.79
37	10.54	8.98
38	10.77	9.17
39	11.00	9.37
40	11.24	9.57
41	11.49	9.77
42	11.74	9.98
43	12.00	10.20
44	12.26	10.42
45	12.54	10.65
46	12.81	10.88
47	13.10	11.12
48	13.39	11.36
49	13.69	11.61
50	14.00	11.87
51	14.32	12.14
52	14.64	12.41
53	14.98	12.69
54	15.32	12.99
55	15.68	13.29
56	16.05	13.60
57	16.43	13.92

58	16.83	14.26
59	17.24	14.61
60	17.67	14.98
61	18.12	15.36
62	18.58	15.75
63	19.07	16.17
64	19.58	16.61

Notes:

1. **The reduction in pension applies only to the member's pension. Dependants' benefits are not affected.**
2. **The reduction in pension is equal to the tax charge divided by the appropriate factor.**
3. **Where the "Default" conversion factor is used the reduction in lump sum is equal to three times the reduction in pension.**

Factors for adjusting Annual Allowance Offsets on actual Retirement in Normal Health - Adjustment to Pension - UNISEX
Table 1203A in consolidated factors spreadsheet
AFPS75, AFPS05, AFPS15, FTRS and RFPS members

Age										
	30	**31**	**32**	**33**	**34**	**35**	**36**	**37**	**38**	**39**
months										
0	0.278	0.285	0.292	0.299	0.306	0.314	0.322	0.330	0.339	0.348
1	0.279	0.286	0.292	0.300	0.307	0.315	0.323	0.331	0.340	0.349
2	0.280	0.286	0.293	0.300	0.308	0.315	0.323	0.332	0.341	0.350
3	0.280	0.287	0.294	0.301	0.308	0.316	0.324	0.333	0.341	0.351
4	0.281	0.287	0.294	0.301	0.309	0.317	0.325	0.333	0.342	0.351
5	0.281	0.288	0.295	0.302	0.309	0.317	0.325	0.334	0.343	0.352
6	0.282	0.288	0.295	0.303	0.310	0.318	0.326	0.335	0.344	0.353
7	0.282	0.289	0.296	0.303	0.311	0.319	0.327	0.335	0.344	0.354
8	0.283	0.290	0.297	0.304	0.311	0.319	0.328	0.336	0.345	0.355
9	0.283	0.290	0.297	0.304	0.312	0.320	0.328	0.337	0.346	0.355
10	0.284	0.291	0.298	0.305	0.313	0.321	0.329	0.338	0.347	0.356
11	0.284	0.291	0.298	0.306	0.313	0.321	0.330	0.338	0.348	0.357

Age										
	40	**41**	**42**	**43**	**44**	**45**	**46**	**47**	**48**	**49**
months										
0	0.358	0.368	0.379	0.390	0.402	0.414	0.428	0.442	0.457	0.473
1	0.359	0.369	0.380	0.391	0.403	0.415	0.429	0.443	0.458	0.474
2	0.360	0.370	0.381	0.392	0.404	0.417	0.430	0.444	0.460	0.476
3	0.360	0.371	0.381	0.393	0.405	0.418	0.431	0.446	0.461	0.477
4	0.361	0.372	0.382	0.394	0.406	0.419	0.432	0.447	0.462	0.479
5	0.362	0.372	0.383	0.395	0.407	0.420	0.434	0.448	0.464	0.480
6	0.363	0.373	0.384	0.396	0.408	0.421	0.435	0.449	0.465	0.482
7	0.364	0.374	0.385	0.397	0.409	0.422	0.436	0.451	0.466	0.483
8	0.365	0.375	0.386	0.398	0.410	0.423	0.437	0.452	0.468	0.485
9	0.365	0.376	0.387	0.399	0.411	0.424	0.438	0.453	0.469	0.486
10	0.366	0.377	0.388	0.400	0.412	0.425	0.439	0.454	0.470	0.487
11	0.367	0.378	0.389	0.401	0.413	0.427	0.441	0.456	0.472	0.489

Factors for adjusting Annual Allowance Offsets on actual Retirement in Normal Health – Adjustment to Pension - UNISEX – continued
Table 1203A in consolidated factors spreadsheet
AFPS75, AFPS05, AFPS15, FTRS and RFPS members

	Age									
	50	**51**	**52**	**53**	**54**	**55**	**56**	**57**	**58**	**59**
months										
0	0.490	0.509	0.529	0.550	0.574	0.599	0.627	0.656	0.688	0.723
1	0.492	0.511	0.531	0.552	0.576	0.602	0.629	0.659	0.691	0.726
2	0.493	0.512	0.532	0.554	0.578	0.604	0.632	0.662	0.694	0.729
3	0.495	0.514	0.534	0.556	0.580	0.606	0.634	0.664	0.697	0.732
4	0.496	0.516	0.536	0.558	0.582	0.608	0.637	0.667	0.700	0.735
5	0.498	0.517	0.538	0.560	0.584	0.611	0.639	0.670	0.703	0.738
6	0.500	0.519	0.540	0.562	0.587	0.613	0.642	0.672	0.705	0.741
7	0.501	0.520	0.541	0.564	0.589	0.615	0.644	0.675	0.708	0.744
8	0.503	0.522	0.543	0.566	0.591	0.618	0.647	0.678	0.711	0.747
9	0.504	0.524	0.545	0.568	0.593	0.620	0.649	0.680	0.714	0.750
10	0.506	0.525	0.547	0.570	0.595	0.622	0.652	0.683	0.717	0.753
11	0.507	0.527	0.549	0.572	0.597	0.625	0.654	0.686	0.720	0.757

	Age									
	60	**61**	**62**	**63**	**64**	**65**	**66**	**67**	**68**	**69**
months										
0	0.760	0.800	0.843	0.891	0.943	1.000	1.062	1.131	1.206	1.289
1	0.763	0.803	0.847	0.895	0.948	1.005	1.068	1.137	1.213	1.296
2	0.766	0.807	0.851	0.900	0.953	1.010	1.074	1.143	1.220	1.304
3	0.770	0.811	0.855	0.904	0.957	1.016	1.080	1.150	1.227	1.312
4	0.773	0.814	0.859	0.908	0.962	1.021	1.085	1.156	1.234	1.319
5	0.776	0.818	0.863	0.913	0.967	1.026	1.091	1.162	1.241	1.327
6	0.780	0.822	0.867	0.917	0.972	1.031	1.097	1.168	1.247	1.334
7	0.783	0.825	0.871	0.921	0.976	1.036	1.102	1.175	1.254	1.342
8	0.786	0.829	0.875	0.926	0.981	1.042	1.108	1.181	1.261	1.350
9	0.790	0.833	0.879	0.930	0.986	1.047	1.114	1.187	1.268	1.357
10	0.793	0.836	0.883	0.934	0.991	1.052	1.120	1.194	1.275	1.365
11	0.796	0.840	0.887	0.939	0.995	1.057	1.125	1.200	1.282	1.372

Factors for adjusting Annual Allowance Offsets on actual Retirement in Normal Health - Adjustment to Pension - UNISEX – continued
Table 1203A in consolidated factors spreadsheet
AFPS75, AFPS05, AFPS15, FTRS and RFPS members

	Age				
	70	**71**	**72**	**73**	**74**
months					
0	1.380	1.481	1.593	1.718	1.858
1	1.388	1.490	1.604	1.730	1.871
2	1.397	1.500	1.614	1.742	1.884
3	1.405	1.509	1.625	1.753	1.897
4	1.414	1.519	1.635	1.765	1.910
5	1.422	1.528	1.645	1.776	1.923
6	1.431	1.537	1.656	1.788	1.936
7	1.439	1.547	1.666	1.800	1.949
8	1.447	1.556	1.677	1.811	1.962
9	1.456	1.565	1.687	1.823	1.975
10	1.464	1.575	1.697	1.835	1.988
11	1.473	1.584	1.708	1.846	2.001

Notes:
1. Ages are given in years and complete months. Part months are ignored.
2. An offset that is due at age 65 and is deducted at age X should be multiplied by the factor for age X.
3. To calculate the adjustment for an offset due at a different default age, divide the factor at age X by the factor at the default offset age. This is then multiplied by the unadjusted offset to calculate the adjusted offset.
4. These factors should not be used for any other purpose (e.g. divorce).

Factors for adjusting Annual Allowance Offsets on actual Retirement in Normal Health - Adjustment to Lump Sum - UNISEX
Table 1203B in consolidated factors spreadsheet
AFPS75, AFPS05, AFPS15, FTRS and RFPS members

	Age									
	30	**31**	**32**	**33**	**34**	**35**	**36**	**37**	**38**	**39**
months										
0	0.436	0.446	0.457	0.468	0.479	0.491	0.503	0.515	0.527	0.540
1	0.437	0.447	0.458	0.469	0.480	0.492	0.504	0.516	0.528	0.541
2	0.438	0.448	0.459	0.470	0.481	0.493	0.505	0.517	0.529	0.542
3	0.439	0.449	0.460	0.471	0.482	0.494	0.506	0.518	0.530	0.543
4	0.440	0.450	0.461	0.472	0.483	0.495	0.507	0.519	0.531	0.544
5	0.440	0.451	0.462	0.473	0.484	0.496	0.508	0.520	0.532	0.545
6	0.441	0.452	0.463	0.474	0.485	0.497	0.509	0.521	0.533	0.546
7	0.442	0.453	0.464	0.475	0.486	0.498	0.510	0.522	0.534	0.547
8	0.443	0.454	0.465	0.476	0.487	0.499	0.511	0.523	0.536	0.548
9	0.444	0.455	0.465	0.477	0.488	0.500	0.512	0.524	0.537	0.549
10	0.445	0.455	0.466	0.478	0.489	0.501	0.513	0.525	0.538	0.551
11	0.446	0.456	0.467	0.478	0.490	0.502	0.514	0.526	0.539	0.552

	Age									
	40	**41**	**42**	**43**	**44**	**45**	**46**	**47**	**48**	**49**
months										
0	0.553	0.566	0.580	0.593	0.608	0.622	0.637	0.653	0.668	0.684
1	0.554	0.567	0.581	0.595	0.609	0.624	0.639	0.654	0.670	0.686
2	0.555	0.568	0.582	0.596	0.610	0.625	0.640	0.655	0.671	0.687
3	0.556	0.569	0.583	0.597	0.611	0.626	0.641	0.656	0.672	0.688
4	0.557	0.571	0.584	0.598	0.613	0.627	0.642	0.658	0.674	0.690
5	0.558	0.572	0.585	0.599	0.614	0.629	0.644	0.659	0.675	0.691
6	0.559	0.573	0.587	0.601	0.615	0.630	0.645	0.660	0.676	0.692
7	0.560	0.574	0.588	0.602	0.616	0.631	0.646	0.662	0.678	0.694
8	0.562	0.575	0.589	0.603	0.617	0.632	0.647	0.663	0.679	0.695
9	0.563	0.576	0.590	0.604	0.619	0.634	0.649	0.664	0.680	0.697
10	0.564	0.577	0.591	0.605	0.620	0.635	0.650	0.666	0.682	0.698
11	0.565	0.578	0.592	0.607	0.621	0.636	0.651	0.667	0.683	0.699

Factors for adjusting Annual Allowance Offsets on actual Retirement in Normal Health - Adjustment to Lump Sum (UNISEX) – continued
Table 1203B in consolidated factors spreadsheet
AFPS75, AFPS05, AFPS15, FTRS and RFPS members

	Age									
	50	**51**	**52**	**53**	**54**	**55**	**56**	**57**	**58**	**59**
months										
0	0.701	0.717	0.735	0.752	0.770	0.789	0.808	0.827	0.847	0.867
1	0.702	0.719	0.736	0.754	0.772	0.790	0.809	0.829	0.849	0.869
2	0.703	0.720	0.738	0.755	0.773	0.792	0.811	0.830	0.850	0.871
3	0.705	0.722	0.739	0.757	0.775	0.794	0.813	0.832	0.852	0.873
4	0.706	0.723	0.741	0.758	0.777	0.795	0.814	0.834	0.854	0.874
5	0.708	0.725	0.742	0.760	0.778	0.797	0.816	0.835	0.856	0.876
6	0.709	0.726	0.744	0.761	0.780	0.798	0.817	0.837	0.857	0.878
7	0.710	0.728	0.745	0.763	0.781	0.800	0.819	0.839	0.859	0.880
8	0.712	0.729	0.746	0.764	0.783	0.801	0.821	0.840	0.861	0.881
9	0.713	0.730	0.748	0.766	0.784	0.803	0.822	0.842	0.862	0.883
10	0.715	0.732	0.749	0.767	0.786	0.805	0.824	0.844	0.864	0.885
11	0.716	0.733	0.751	0.769	0.787	0.806	0.826	0.845	0.866	0.886

	Age					
	60	**61**	**62**	**63**	**64**	**65**
months						
0	0.888	0.909	0.931	0.954	0.977	1.000
1	0.890	0.911	0.933	0.956	0.979	1.002
2	0.892	0.913	0.935	0.957	0.980	1.004
3	0.894	0.915	0.937	0.959	0.982	1.006
4	0.895	0.917	0.939	0.961	0.984	1.008
5	0.897	0.919	0.941	0.963	0.986	1.010
6	0.899	0.920	0.942	0.965	0.988	1.012
7	0.901	0.922	0.944	0.967	0.990	1.014
8	0.902	0.924	0.946	0.969	0.992	1.016
9	0.904	0.926	0.948	0.971	0.994	1.018
10	0.906	0.928	0.950	0.973	0.996	1.020
11	0.908	0.930	0.952	0.975	0.998	1.022

Notes:

1. Ages are given in years and complete months. Part months are ignored.
2. An offset that is due at age 65 and is deducted at age X should be multiplied by the factor for age X.
3. To calculate the adjustment for an offset due at a different default age, divide the factor at age X by the factor at the default offset age. This is then multiplied by the unadjusted offset to calculate the adjusted offset.
4. These factors should not be used for any other purpose (e.g. divorce).

Factors for adjusting Annual Allowance Offsets on Ill-Health Retirement - Adjustment to Pension - UNISEX
Table 1204A in consolidated factors spreadsheet
AFPS75, AFPS05, AFPS15, FTRS and RFPS members

	Age									
	20	**21**	**22**	**23**	**24**	**25**	**26**	**27**	**28**	**29**
months										
0	0.186	0.191	0.196	0.202	0.207	0.213	0.219	0.226	0.232	0.239
1	0.186	0.191	0.197	0.202	0.208	0.214	0.220	0.226	0.233	0.240
2	0.186	0.192	0.197	0.203	0.208	0.214	0.220	0.227	0.234	0.240
3	0.187	0.192	0.197	0.203	0.209	0.215	0.221	0.227	0.234	0.241
4	0.187	0.193	0.198	0.203	0.209	0.215	0.221	0.228	0.235	0.242
5	0.188	0.193	0.198	0.204	0.210	0.216	0.222	0.228	0.235	0.242
6	0.188	0.193	0.199	0.204	0.210	0.216	0.223	0.229	0.236	0.243
7	0.189	0.194	0.199	0.205	0.211	0.217	0.223	0.230	0.236	0.243
8	0.189	0.194	0.200	0.205	0.211	0.217	0.224	0.230	0.237	0.244
9	0.189	0.195	0.200	0.206	0.212	0.218	0.224	0.231	0.238	0.245
10	0.190	0.195	0.201	0.206	0.212	0.218	0.225	0.231	0.238	0.245
11	0.190	0.196	0.201	0.207	0.213	0.219	0.225	0.232	0.239	0.246

	Age									
	30	**31**	**32**	**33**	**34**	**35**	**36**	**37**	**38**	**39**
months										
0	0.246	0.254	0.262	0.270	0.278	0.287	0.296	0.306	0.316	0.327
1	0.247	0.255	0.262	0.270	0.279	0.288	0.297	0.307	0.317	0.327
2	0.248	0.255	0.263	0.271	0.280	0.289	0.298	0.308	0.318	0.328
3	0.248	0.256	0.264	0.272	0.280	0.289	0.299	0.308	0.319	0.329
4	0.249	0.256	0.264	0.273	0.281	0.290	0.299	0.309	0.319	0.330
5	0.250	0.257	0.265	0.273	0.282	0.291	0.300	0.310	0.320	0.331
6	0.250	0.258	0.266	0.274	0.283	0.292	0.301	0.311	0.321	0.332
7	0.251	0.258	0.266	0.275	0.283	0.292	0.302	0.312	0.322	0.333
8	0.251	0.259	0.267	0.275	0.284	0.293	0.303	0.313	0.323	0.334
9	0.252	0.260	0.268	0.276	0.285	0.294	0.303	0.313	0.324	0.335
10	0.253	0.260	0.268	0.277	0.286	0.295	0.304	0.314	0.325	0.336
11	0.253	0.261	0.269	0.278	0.286	0.295	0.305	0.315	0.326	0.337

Factors for adjusting Annual Allowance Offsets on Ill-Health Retirement - Adjustment to Pension - UNISEX – continued
Table 1204A in consolidated factors spreadsheet
AFPS75, AFPS05, AFPS15, FTRS and RFPS members

	Age									
	40	41	42	43	44	45	46	47	48	49
months										
0	0.338	0.349	0.361	0.374	0.388	0.402	0.417	0.433	0.449	0.467
1	0.339	0.350	0.362	0.375	0.389	0.403	0.418	0.434	0.451	0.469
2	0.340	0.351	0.364	0.376	0.390	0.404	0.419	0.435	0.452	0.470
3	0.341	0.352	0.365	0.378	0.391	0.406	0.421	0.437	0.454	0.472
4	0.341	0.353	0.366	0.379	0.392	0.407	0.422	0.438	0.455	0.473
5	0.342	0.354	0.367	0.380	0.394	0.408	0.423	0.440	0.457	0.475
6	0.343	0.355	0.368	0.381	0.395	0.409	0.425	0.441	0.458	0.476
7	0.344	0.356	0.369	0.382	0.396	0.411	0.426	0.442	0.460	0.478
8	0.345	0.357	0.370	0.383	0.397	0.412	0.427	0.444	0.461	0.480
9	0.346	0.358	0.371	0.384	0.398	0.413	0.429	0.445	0.463	0.481
10	0.347	0.359	0.372	0.385	0.400	0.414	0.430	0.447	0.464	0.483
11	0.348	0.360	0.373	0.387	0.401	0.416	0.431	0.448	0.466	0.484

	Age									
	50	51	52	53	54	55	56	57	58	59
months										
0	0.486	0.506	0.527	0.549	0.574	0.599	0.627	0.656	0.688	0.723
1	0.487	0.508	0.529	0.551	0.576	0.602	0.629	0.659	0.691	0.726
2	0.489	0.509	0.531	0.554	0.578	0.604	0.632	0.662	0.694	0.729
3	0.491	0.511	0.533	0.556	0.580	0.606	0.634	0.664	0.697	0.732
4	0.492	0.513	0.534	0.558	0.582	0.608	0.637	0.667	0.700	0.735
5	0.494	0.515	0.536	0.560	0.584	0.611	0.639	0.670	0.703	0.738
6	0.496	0.516	0.538	0.562	0.586	0.613	0.642	0.672	0.705	0.741
7	0.497	0.518	0.540	0.564	0.589	0.615	0.644	0.675	0.708	0.744
8	0.499	0.520	0.542	0.566	0.591	0.618	0.647	0.678	0.711	0.747
9	0.501	0.522	0.544	0.568	0.593	0.620	0.649	0.680	0.714	0.750
10	0.502	0.523	0.546	0.570	0.595	0.622	0.652	0.683	0.717	0.753
11	0.504	0.525	0.548	0.572	0.597	0.625	0.654	0.686	0.720	0.757

Factors for adjusting Annual Allowance Offsets on Ill-Health Retirement - Adjustment to Pension - UNISEX – continued
Tables 1204A in consolidated factors spreadsheet
AFPS75, AFPS05, AFPS15, FTRS and RFPS members

	Age									
	60	**61**	**62**	**63**	**64**	**65**	**66**	**67**	**68**	**69**
months										
0	0.760	0.800	0.843	0.891	0.943	1.000	1.062	1.131	1.206	1.289
1	0.763	0.803	0.847	0.895	0.948	1.005	1.068	1.137	1.213	1.296
2	0.766	0.807	0.851	0.900	0.953	1.010	1.074	1.143	1.220	1.304
3	0.770	0.811	0.855	0.904	0.957	1.016	1.080	1.150	1.227	1.312
4	0.773	0.814	0.859	0.908	0.962	1.021	1.085	1.156	1.234	1.319
5	0.776	0.818	0.863	0.913	0.967	1.026	1.091	1.162	1.241	1.327
6	0.780	0.822	0.867	0.917	0.972	1.031	1.097	1.168	1.247	1.334
7	0.783	0.825	0.871	0.921	0.976	1.036	1.102	1.175	1.254	1.342
8	0.786	0.829	0.875	0.926	0.981	1.042	1.108	1.181	1.261	1.350
9	0.790	0.833	0.879	0.930	0.986	1.047	1.114	1.187	1.268	1.357
10	0.793	0.836	0.883	0.934	0.991	1.052	1.120	1.194	1.275	1.365
11	0.796	0.840	0.887	0.939	0.995	1.057	1.125	1.200	1.282	1.372

	Age				
	70	**71**	**72**	**73**	**74**
months					
0	1.380	1.481	1.593	1.718	1.858
1	1.388	1.490	1.604	1.730	1.871
2	1.397	1.500	1.614	1.742	1.884
3	1.405	1.509	1.625	1.753	1.897
4	1.414	1.519	1.635	1.765	1.910
5	1.422	1.528	1.645	1.776	1.923
6	1.431	1.537	1.656	1.788	1.936
7	1.439	1.547	1.666	1.800	1.949
8	1.447	1.556	1.677	1.811	1.962
9	1.456	1.565	1.687	1.823	1.975
10	1.464	1.575	1.697	1.835	1.988
11	1.473	1.584	1.708	1.846	2.001

Notes:
1. **Ages are given in years and complete months. Part months are ignored.**
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3. **To calculate the adjustment for an offset due at a different default age, divide the factor at age X by the factor at the default offset age. This is then multiplied by the unadjusted offset to calculate the adjusted offset.**
4. **These factors should not be used for any other purpose (e.g. divorce).**

Factors for adjusting Annual Allowance Offsets on Ill-Health Retirement - Adjustment to Lump Sum - UNISEX
Table 1204B in consolidated factors spreadsheet
AFPS75, AFPS05, AFPS15, FTRS and RFPS members

	Age									
	20	**21**	**22**	**23**	**24**	**25**	**26**	**27**	**28**	**29**
months										
0	0.344	0.352	0.361	0.369	0.378	0.387	0.397	0.406	0.416	0.426
1	0.345	0.353	0.361	0.370	0.379	0.388	0.397	0.407	0.417	0.427
2	0.345	0.354	0.362	0.371	0.380	0.389	0.398	0.408	0.417	0.427
3	0.346	0.354	0.363	0.372	0.380	0.390	0.399	0.409	0.418	0.428
4	0.347	0.355	0.364	0.372	0.381	0.390	0.400	0.409	0.419	0.429
5	0.347	0.356	0.364	0.373	0.382	0.391	0.401	0.410	0.420	0.430
6	0.348	0.356	0.365	0.374	0.383	0.392	0.401	0.411	0.421	0.431
7	0.349	0.357	0.366	0.374	0.383	0.393	0.402	0.412	0.422	0.432
8	0.349	0.358	0.366	0.375	0.384	0.393	0.403	0.413	0.422	0.433
9	0.350	0.359	0.367	0.376	0.385	0.394	0.404	0.413	0.423	0.433
10	0.351	0.359	0.368	0.377	0.386	0.395	0.404	0.414	0.424	0.434
11	0.352	0.360	0.369	0.377	0.387	0.396	0.405	0.415	0.425	0.435

	Age									
	30	**31**	**32**	**33**	**34**	**35**	**36**	**37**	**38**	**39**
months										
0	0.436	0.446	0.457	0.468	0.479	0.491	0.503	0.515	0.527	0.540
1	0.437	0.447	0.458	0.469	0.480	0.492	0.504	0.516	0.528	0.541
2	0.438	0.448	0.459	0.470	0.481	0.493	0.505	0.517	0.529	0.542
3	0.439	0.449	0.460	0.471	0.482	0.494	0.506	0.518	0.530	0.543
4	0.440	0.450	0.461	0.472	0.483	0.495	0.507	0.519	0.531	0.544
5	0.440	0.451	0.462	0.473	0.484	0.496	0.508	0.520	0.532	0.545
6	0.441	0.452	0.463	0.474	0.485	0.497	0.509	0.521	0.533	0.546
7	0.442	0.453	0.464	0.475	0.486	0.498	0.510	0.522	0.534	0.547
8	0.443	0.454	0.465	0.476	0.487	0.499	0.511	0.523	0.536	0.548
9	0.444	0.455	0.465	0.477	0.488	0.500	0.512	0.524	0.537	0.549
10	0.445	0.455	0.466	0.478	0.489	0.501	0.513	0.525	0.538	0.551
11	0.446	0.456	0.467	0.478	0.490	0.502	0.514	0.526	0.539	0.552

Factors for adjusting Annual Allowance Offsets on Ill-Health Retirement - Adjustment to Lump Sum - UNISEX – continued
Table 1204B in consolidated factors spreadsheet
AFPS75, AFPS05, AFPS15, FTRS and RFPS members

	Age									
	40	41	42	43	44	45	46	47	48	49
months										
0	0.553	0.566	0.580	0.593	0.608	0.622	0.637	0.653	0.668	0.684
1	0.554	0.567	0.581	0.595	0.609	0.624	0.639	0.654	0.670	0.686
2	0.555	0.568	0.582	0.596	0.610	0.625	0.640	0.655	0.671	0.687
3	0.556	0.569	0.583	0.597	0.611	0.626	0.641	0.656	0.672	0.688
4	0.557	0.571	0.584	0.598	0.613	0.627	0.642	0.658	0.674	0.690
5	0.558	0.572	0.585	0.599	0.614	0.629	0.644	0.659	0.675	0.691
6	0.559	0.573	0.587	0.601	0.615	0.630	0.645	0.660	0.676	0.692
7	0.560	0.574	0.588	0.602	0.616	0.631	0.646	0.662	0.678	0.694
8	0.562	0.575	0.589	0.603	0.617	0.632	0.647	0.663	0.679	0.695
9	0.563	0.576	0.590	0.604	0.619	0.634	0.649	0.664	0.680	0.697
10	0.564	0.577	0.591	0.605	0.620	0.635	0.650	0.666	0.682	0.698
11	0.565	0.578	0.592	0.607	0.621	0.636	0.651	0.667	0.683	0.699

	Age									
	50	51	52	53	54	55	56	57	58	59
months										
0	0.701	0.717	0.735	0.752	0.770	0.789	0.808	0.827	0.847	0.867
1	0.702	0.719	0.736	0.754	0.772	0.790	0.809	0.829	0.849	0.869
2	0.703	0.720	0.738	0.755	0.773	0.792	0.811	0.830	0.850	0.871
3	0.705	0.722	0.739	0.757	0.775	0.794	0.813	0.832	0.852	0.873
4	0.706	0.723	0.741	0.758	0.777	0.795	0.814	0.834	0.854	0.874
5	0.708	0.725	0.742	0.760	0.778	0.797	0.816	0.835	0.856	0.876
6	0.709	0.726	0.744	0.761	0.780	0.798	0.817	0.837	0.857	0.878
7	0.710	0.728	0.745	0.763	0.781	0.800	0.819	0.839	0.859	0.880
8	0.712	0.729	0.746	0.764	0.783	0.801	0.821	0.840	0.861	0.881
9	0.713	0.730	0.748	0.766	0.784	0.803	0.822	0.842	0.862	0.883
10	0.715	0.732	0.749	0.767	0.786	0.805	0.824	0.844	0.864	0.885
11	0.716	0.733	0.751	0.769	0.787	0.806	0.826	0.845	0.866	0.886

**Factors for adjusting Annual Allowance Offsets on Ill-Health Retirement -
Adjustment to Lump Sum - UNISEX – continued
Table 1204B in consolidated factors spreadsheet
AFPS75, AFPS05, AFPS15, FTRS and RFPS members**

months	Age					
	60	61	62	63	64	65
0	0.888	0.909	0.931	0.954	0.977	1.000
1	0.890	0.911	0.933	0.956	0.979	1.002
2	0.892	0.913	0.935	0.957	0.980	1.004
3	0.894	0.915	0.937	0.959	0.982	1.006
4	0.895	0.917	0.939	0.961	0.984	1.008
5	0.897	0.919	0.941	0.963	0.986	1.010
6	0.899	0.920	0.942	0.965	0.988	1.012
7	0.901	0.922	0.944	0.967	0.990	1.014
8	0.902	0.924	0.946	0.969	0.992	1.016
9	0.904	0.926	0.948	0.971	0.994	1.018
10	0.906	0.928	0.950	0.973	0.996	1.020
11	0.908	0.930	0.952	0.975	0.998	1.022

Notes:
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4. **These factors should not be used for any other purpose (e.g. divorce).**