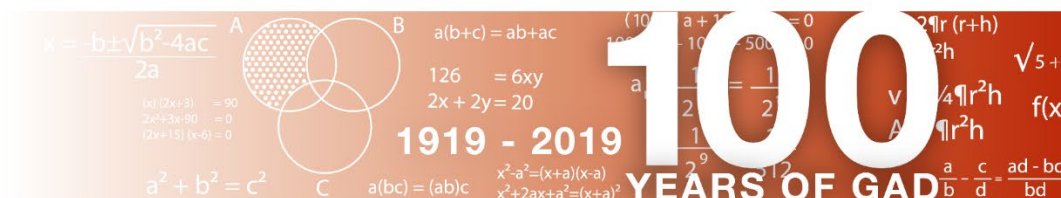




Government
Actuary's
Department



Armed Forces Pension Arrangements

Club transfers in and out

Factor guidance

Version 1.0

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Contents

1	Introduction	3
2	Club Transfers in AFPS	5
3	Club Transfers-In	7
4	Club Transfers-Out	12
5	Treatment of Pre-2015 accrued rights benefits transferred to/from AFPS15	15
6	Exclusions and limitations	17
	Appendix A: Assumptions underlying AFPS05 final salary Club TV-in factors	18
	Appendix B: Factor Tables – Standard Club factors	19
	Appendix C: Factor Tables – AFPS05 final salary Club transfer in factors	31



1 Introduction

- 1.1 This note is provided for the Ministry of Defence (MoD) as scheme manager of the Armed Forces pension arrangements and sets out factors and guidance on transfers into/from the Armed Forces Pension Scheme 2015 (AFPS15) from/to pension schemes that are members of the Public Sector Transfer Club ("The Club") in accordance with scheme regulations and the Public Sector Transfer Club Memorandum (Last updated April 2019)¹.
- 1.2 This note also includes some guidance on the selection of factors for Club transfers relating to other schemes which are part of the Armed Forces pension arrangements.
- 1.3 *The Public Sector Transfer Club: Memorandum by the Cabinet Office* issued in April 2019 ('the Club Memorandum') sets out how pension credits and Club transfer out payments should be calculated for "Inner Club" transfers (between CARE schemes under the Public Service Pensions Act 2013 and similar schemes) and "Outer Club" transfers (final salary schemes or those able to accept final salary benefits).
- 1.4 The Cabinet Office maintains a list of current Club members and the most recent list can be found here:
<https://www.civilservicepensionscheme.org.uk/media/485979/club-list-april-2019.pdf>.
- 1.5 Club transfers are subject to the time limits set out in the Club Memorandum.
- 1.6 This note sets out the factors to be used to determine Armed Forces pension arrangements Club transfer values in respect of outgoing Club transfers and to determine service and pension credits (as applicable) in respect of incoming Club transfers.
- 1.7 For ease of use for the scheme administrators, we have included the standard Club factors as well as the scheme-specific Armed Forces pension arrangements Club factors.
- 1.8 This guidance supersedes any guidance previously issued for the purpose of transfers into and out of the Club for members of the Armed Forces pension arrangements.
- 1.9 This note does not cover non-Club transfers. Please see our separate guidance notes in respect of non-Club transfers.
- 1.10 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 <https://www.civilservicepensionscheme.org.uk/media/474506/club-memorandum-april-2019>



- 1.11 The spreadsheets sent to MoD on 28 November 2018, 7 February 2019 and 20 March 2019 contain the relevant factors for use in Club transfers into and out of the scheme for members. The relevant tables are table 101 to 108 and 113 for Club transfers out and tables 101, 102, 109i and 208ABC for Club transfers into the scheme. Discussion of which table is appropriate for each type of Club transfer can be found in sections 3 and 4.
- 1.12 Appendix A in this guidance sets out the assumptions used in the determination of AFPS05 Club transfer in factors. The assumptions used to determine the standard Club factors are set out in Annex 2 of the Club Memorandum.
- 1.13 Appendix B contains the Standard Club factors and Appendix C contains the factors for use in incoming final salary club transfer cases.

Implementation and Review

- 1.14 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.
- 1.15 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.
- 1.16 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 Club Transfers in AFPS

Background

- 2.1 The purpose of the Club is to facilitate transfers for members who move between employers whose pension schemes are both members of the Club.
- 2.2 Most Club schemes use standard tables of factors for both outgoing and incoming Club transfers. These tables are differentiated by Normal Pension Age (or Deferred Pension Age for transfers out). They were previously also differentiated by sex but the current Club factors are unisex.
- 2.3 AFPS05 has unique benefit features which result in the standard tables being inappropriate for determining service credits for incoming final salary Club transfers into AFPS05. As a result, GAD issues a set of incoming Club transfer factors which apply specifically to AFPS05.
- 2.4 Club transfers require the member to select the option within 12 months of joining the new employer. Any salary changes resulting from the change in employment are ignored when determining the service credits for incoming Club transfers.
- 2.5 As previously, the GMP factors and NI modification factors are all set to zero, as the Club factors do not allow for any adjustments for GMP or NI modification.
- 2.6 No adjustment to market conditions (AMC) should be applied to Club transfers.

Club transfer-out regulations

- 2.7 For AFPS15, regulation 3 of the Armed Forces Pension Regulations 2014 applies. This defines a “club transfer value” as follows:

“club transfer value”, in relation to an amount of accrued earned pension under this scheme or under another club scheme, means an amount calculated by the scheme manager—

 - (a) in accordance with the club transfer arrangements; and*
 - (b) by reference to the guidance and tables provided by the Government Actuary for this purpose that are in use on the date used for the calculation.*
- 2.8 For AFPS05, the relevant regulation is F.5(6):

If the transfer value payment is made under the public sector transfer arrangements, the amount of the transfer value payment is calculated—

 - (a) in accordance with those arrangements rather than paragraphs (1) and (3), and*
 - (b) by reference to the guidance and tables provided by the Government Actuary for the purposes of this paragraph that are in use on the date used for the calculation*



AFPS15 Club transfer-in regulations

- 2.9 Regulations 48 and 49 of Schedule 2 of the Armed Forces (Transitional Provisions) Pensions Regulations 2015 apply in respect of final salary Club transfers:

“48. That part of a club transfer value payment that relates to final salary benefit is to be paid into the AFPS 2005.

49. (1) This paragraph applies to a person who transfers final salary benefits into the AFPS 2005.

(2) Unless the person is a full protection member of the AFPS 2005 the person
(a) becomes a member of the AFPS 2015; and
(b) is taken to be a transitional member with continuity of service.”

- 2.10 In respect of CARE Club transfers, regulation 111 of the Armed Forces Pension Regulations 2014 applies. This specifies that the pension credited in respect of the Club transfer should be:

(a) the amount specified in the club transfer value statement; or
(b) if such a statement is not provided, an amount calculated by the scheme manager in accordance with actuarial guidance and tables by reference to any factors as at the transfer date that the scheme manager, in accordance with the guidance of the scheme actuary, considers should apply.

AFPS05 Club transfer-in regulations

- 2.11 The relevant AFPS05 regulations are the Armed Forces Pension Scheme Order 2005 (SI 2005/438), as amended ('the AFPS05 regulations'). F.9(2) and F.10 of the AFPS05 regulations provide for reckonable service to be awarded in respect of an incoming transfer.

- 2.12 F.10(3) specifically relates to Club transfers and states that:

“If the transfer value payment is accepted under the public sector transfer arrangements, the period the member is entitled to count is calculated—
(a) in accordance with those arrangements, and
(b) by reference to the guidance and tables provided by the Government Actuary for the purposes of this paragraph, that are in use on the date that is used by the transferring scheme for calculating the transfer value payment.”

- 2.13 It is our understanding that the rules do not reflect the status of the Club factors, which are controlled by the Club Secretariat at the Cabinet Office. Given that the rule construction is inconsistent with the practice, we understand that the MoD is considering updating the rules at the next convenient opportunity.



3 Club Transfers-In

General

- 3.1 Incoming final salary Club transfers for both AFPS05 and AFPS15 members are received into AFPS05, using scheme-specific Club factors. These can be found in table 109i for members who are not Medical or Dental Officers (MODOs). An example of a non-MODO incoming final salary Club transfer going into AFPS05 can be found in section 5. Cases in respect of MODOs should be referred to GAD.
- 3.2 Incoming final salary Club transfers for RFPS and NRPS members are dealt with using standard Club factors for the appropriate Normal Pension Age. The relevant tables are table 101 for NRPS and table 102 for RFPS.
- 3.3 Incoming CARE Club transfers to AFPS15 are dealt with using the standard Club factors in table 101. This includes cases in respect of MODOs.
- 3.4 Incoming CARE Club transfers to AFPS05 are transferred on a non-Club basis, in line with clause 7.24 of the Club Memorandum. The relevant table is table 208ABC for members who are not MODOs. Please see our guidance on non-Club transfers in respect of these cases. MODO cases should be referred to GAD.
- 3.5 Incoming CARE Club transfers to other Armed Forces schemes should be referred to GAD.

AFPS15 CARE Club transfers-in

- 3.6 In accordance with the Club Memorandum:
 - a. Where the transferring scheme's Deferred Pension Age ("DPA") and receiving scheme's Normal Pension Age ("NPA") are the same and the attached lump sum and spouse's proportion in each scheme are the same:
 - (i) the accrued pension pot is transferred unadjusted into the receiving scheme;
 - (ii) while the member stays in service, the transferred pension pot is uprated annually by the transferring scheme's in-service revaluation rate (by reference to the relevant Treasury Order).
 - b. If the transferring scheme's DPA and the receiving scheme's NPA are different or the attached lump sum and spouse's proportion in each scheme are different (including where the member has bought a reduced NPA in the transferring scheme which is different from the NPA in the receiving scheme):
 - (i) the accrued pension pot will be transferred into the receiving scheme and adjusted to reflect the differences;



- (ii) identical to a(ii): while the member stays in service, this will be uprated annually by the transferring scheme's in-service revaluation rate (by reference to the relevant Treasury Order).

Example calculation – AFPS15 CARE transfer in

- 3.7 A member of the NHSPS 15 transfers to the AFPS15 at age 35 with an accrued pension of £5,400.

The NHSPS 15 benefits have an NPA equal to the member's SPA (age 68), no automatic lump sum, a survivor's pension of 33.75% of the member's pension and an in-service revaluation rate of CPI + 1.5%.

Her NPA in AFPS15 is age 60 (DPA is age 68) and the survivor's pension proportion is 62.5%. In service revaluation is in line with AWE.

The adjustment as per 3.5b(i) results in an AFPS15 pension credit as below:

$$\begin{aligned}
 & \text{£5,400} \times \frac{\text{Value of £1 of benefits in NHSPS 15}}{\text{Value of £1 of benefits in AFPS 15}} \\
 &= \text{£5,400} \times \frac{F_p(\text{standard club NPA 68}) + 0.3375 \times F_{wid}(\text{standard club NPA 68})}{F_p(\text{AFPS 15 club NPA 60}) + 0.625 \times F_{wid}(\text{AFPS 15 club NPA 60})} \\
 &= \text{£5,400} \times \frac{7.95 + 0.3375 \times 1.33}{11.85 + 0.625 \times 1.29} \\
 &= \text{£5,400} \times 0.6636 = \text{£3,583.52}
 \end{aligned}$$

- 3.8 After each subsequent scheme year of service, her pension will be uprated by the in-service revaluation index of the NHSPS 15.

Impact of Transferred-In Pension on the Vesting Period

- 3.9 If a transfer-in is accepted, the period of time the member was an active member of the previous occupational pension scheme is counted as qualifying service in the AFPS15 scheme.

EDP15 Benefit Qualification

- 3.10 Transferred-in service will not count towards the EDP15 qualification criteria.

Interaction of Transferred-In Pension with AFPS 15 Benefits

- 3.11 If a transferred-in member serves until NPA 60 and then retires, the transferred-in pension comes into payment immediately alongside the regular AFPS15 pension.



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- 3.12 If a transferred-in member leaves service before NPA 60 with only a deferred pension, the transferred-in pension is payable from DPA alongside the deferred pension. The transferred-in pension is subject to AFPS15 pension increases in deferment during the period between leaving service and DPA.
- 3.13 For the cases where a transferred-in member leaves service before NPA 60 with entitlement to EDP benefits, the transferred-in pension impacts on EDP benefits as per the AFPS15 deferred CARE pension.
- 3.14 The transferred-in pension will interact with ill-health benefits is as follows:
- a. Tier 1: the transferred-in pension does not impact on Tier 1 lump sums awarded where a member retires on Tier 1 ill-health pre the EDP point; however it will impact on EDP benefits awarded where a member leaves on Tier 1 ill-health after the EDP point as per paragraph 3.13. In either case the transferred-in pension will be payable from DPA as per paragraph 3.12.
 - b. Tier 2: The transferred-in pension becomes a deferred pension if it was transferred-in less than 2 years prior to the date of retirement; otherwise it is payable immediately.
 - c. Tier 3: The transferred-in pension becomes a deferred pension if it was transferred-in less than 2 years prior to the date of retirement; otherwise the treatment of the transferred-in pension depends on the amount of enhanced service the member is awarded as follows:
 - (i) If, after the service enhancement has been applied, the Tier 3 ill-health pension from AFPS15 service is based on more than (or is equal to) the lower of 25 years' service and total possible service to NPA (i.e. the minimum service guarantee does not bite), the transferred-in pension is paid immediately.
 - (ii) If, after the service enhancement has been applied, the Tier 3 ill-health pension from AFPS15 service is based on less than the lower of 25 years' service and total possible service to NPA (i.e. the minimum service guarantee bites), the greater of the following will be paid:
 - 1. The post-guarantee enhanced pension (i.e. based on the lower of 25 years' service and total possible service to NPA); and
 - 2. The aggregate of the pre-guarantee enhanced pension and the transferred-in pension.
- i.e. the transferred-in pension will only be paid if adding it to the pre-guarantee enhanced pension yields a larger pension than the post-guarantee enhanced pension.



3.15 The transferred-in pension impacts on death benefits is as follows:

- a. Death in service: since the pension is based on the Tier 3 ill-health pension, the transferred-in pension impacts on the death in service pension as per paragraph 3.14c. The death in service lump sum is based on pensionable pay and so the transferred-in pension does not impact on this.
- b. Death in deferment: the transferred-in pension is included in the calculation of the death in deferment pension of 62.5% of the member's deferred pension and death in deferment lump sum of 3 x member's deferred pension.
- c. Death in receipt: the transferred-in pension is included in the calculation of the death in service pension of 62.5% of the member's pension and in the calculation of the guarantee payment when death occurs within 5 years of retirement.

Treatment of Transferred-In Pension When Exercising Options and Other Scenarios

- 3.16 Any commutation options chosen for the benefits alongside which the transferred-in pension is eventually paid also apply to the transferred-in pension. Such options are subject to the relevant scheme rules and HMRC limits.
- 3.17 Where a member chooses early or late payment of deferred benefits, this choice is automatically applied to any transferred-in pension. The general early and late retirement factors are used to adjust the amount of transferred-in pension to be paid in such cases.
- 3.18 Where a member chooses to stay in service beyond NPA 60, the late payment uplift due on leaving service can be calculated identically to that given to the AFPS 15 benefits so long as the transferred in-service revaluation rate is the same as that of AFPS 15 (i.e. currently AWE).
- 3.19 However, the cases where members stay in service beyond NPA 60 and so delay payment of a transferred-in pension which revalues at a rate different from AWE are more complicated. Any such cases should be referred to GAD who will provide bespoke late retirement factors to be applied to the transferred-in pension.
- 3.20 Similar to the treatment of regular AFPS15 pension, where a member who has a transferred-in pension leaves and then rejoins, the transferred-in pension will be revalued at the transferring scheme's in-service revaluation rate for the duration away from service only if the member rejoins within 5 years. Otherwise it will become a deferred pension and will be revalued at the AFPS15 deferred revaluation rate until coming into payment (as per paragraph 3.12).
- 3.21 It is our understanding that transferred-in pension counts towards the AFPS75 and AFPS05 abatement for rejoiners with service in both AFPS15 and AFPS75 or AFPS05 (similarly to the treatment of Added Pension).



- 3.22 Subject to the same rules and limits as regular pension, transferred-in pension can be allocated. Our understanding is that:
- a. pension cannot be allocated if the member has retired on Tier 2/3/serious ill-health; and
 - b. the maximum permitted percentage of pension that can be allocated must ensure that the dependant's pension does not exceed the member's pension on death after age 75 and cannot be greater than 37.5%.
- 3.23 Where the transferred-in pension is converted into an addition to the EDP benefits, these payments are made under the EDP scheme; in all other cases the payments are made under the AFPS15.
- 3.24 If the transferred-in pension contains an element of Added Pension, the case should be dealt with on an individual basis by referral to GAD.



4 Club Transfers-Out

General

- 4.1 Outgoing Club transfers from AFPS15 are calculated using standard Club factors, using a table chosen with reference to the member's Deferred Pension Age. Tables 101 to 108 apply depending on the member's Deferred Pension Age. Table 113 is also used for the CARE adjustment.
- 4.2 As agreed with MoD, tables 106 and 107 (relating to DPA 69 and 70) have not been included in the main factor spreadsheet. However, these tables are available in the Club Memorandum if required.
- 4.3 Table 108 is in relation to members who are eligible for immediate benefits. Any cases of this type should be referred to GAD.

AFPS15 Club transfers out

- 4.4 There are two required calculations:
 - a. Cash Equivalent Transfer Value ("CETV") – calculated in a similar manner to current transfer values but with an extra adjustment at the end in order to share the cost of the transfer between the two schemes:
 - (i) All relevant indexations (specific to AFPS15) are applied to the CARE pension from the date of leaving to the date of transfer (i.e. any in-service revaluation not yet applied up to the date of leaving and any deferred revaluation from the date of leaving to the date of transfer). Note that the revaluations will in effect only apply up to the end of the last complete financial year prior to transfer;
 - (ii) The factors for the member's age at transfer – from the standard Club table for the member's DPA – are applied to the notional amount of member's pension, member's lump sum (zero) and spouse's pension (62.5% of member's pension) to generate an unadjusted CETV;
 - (iii) A "CARE adjustment" is applied to the unadjusted CETV from (ii) to share the cost of maintaining in-service revaluation between the transferring and receiving scheme. This CARE adjustment is found in table 113. The relevant column is "Adjustment factor – earnings" as AFPS15 has in service revaluation in line with AWE.
 - b. Member Credit – this is the amount of CARE pension that the CETV from paragraph 4.4a purchases. If necessary it will be further adjusted by the receiving scheme to reflect different scheme characteristics as per paragraph b. The member credit is calculated as follows:
 - (iv) As per 4.4a(i), all relevant indexations (specific to AFPS15) are applied to the CARE pension from the date of leaving to the date of transfer;



however in this case the relevant indexations are the in-service revaluations (i.e. AWE). That is, the member credit is the amount of the CARE pension as if the member had rejoined the Armed Forces on the date of transfer (and so had received in-service revaluation for the period away from service). Again, the revaluations will in effect only apply up to the end of the last complete financial year prior to transfer.

Example Calculation – transfer out

- 4.5 The member's AFPS 15 CARE pension at the point of leaving is £5,500 (note that this would not include the in-service revaluation for the financial year in which the member left service). The member's age at transfer is 35 and the DPA is 68. There are 33 complete years to the member's DPA.

a. CETV:

$$\begin{aligned} & (i) \quad (\text{Deferred pension at leaving}) \times (\text{relevant in –} \\ & \quad \text{service revaluation to date of leaving}) \times \\ & \quad (\text{relevant deferred revaluation from leaving to transfer date}) \\ & = £5,500 \times 1.01^* \times 1.07^* \\ & = £5,943.85 \end{aligned}$$

$$\begin{aligned} & (ii) \quad (\text{Member's pension}) \times F_p(\text{standard club NPA 68}) + \\ & \quad (\text{Spouse's pension}) \times F_{wid}(\text{standard club NPA 68}) \\ & = (£5,943.85 \times 7.95) + (62.5\% \times £5,943.85 \times 1.33) \\ & = £52,194.43 \end{aligned}$$

$$\begin{aligned} & (iii) \quad (\text{Unadjusted CETV}) \times (\text{CARE adjustment based on years to NPA}) \\ & = (£52,194.43) \times (1.437) \\ & = £75,003.40 \end{aligned}$$

*indicative values

b. Member Credit:

$$\begin{aligned} & (i) \quad (\text{Deferred pension at leaving}) \times (\text{relevant in –} \\ & \quad \text{service revaluation as if member never left service}) \\ & = £5,500 \times 1.15^* \\ & = £6,325 \end{aligned}$$

*indicative value



Interpolation for non-integer DPA (Deferred Pension Age)

- 4.6 As set out in paragraph 4.29 of the Club memorandum, for a member with a non-integer DPA of Y years and M complete months, who requires the use of a factor at age N, interpolation between two DPA tables will be necessary. The formula to use, for illustrative purposes at DPA of age 66 years 2 months, is as follows:

$$Fp(NPA66,2months) = Fp(NPA66) + \{2/12 \times [Fp(NPA67) - Fp(NPA66)]\}$$

- 4.7 Both the member's pension factor and survivor's pension factor should be interpolated using the above formula.

4.8 Example – interpolation of non-integer DPA

Deferred Pension Age	66 years 5 months
Member Age last birthday at relevant date	28
Gross pension factor NPA 66 (table 103)	7.64
Gross pension factor NPA 67 (table 104)	7.25
Factor (28, 66 y 5m) = $7.64 + \{5/12 \times (7.25 - 7.64)\}$	
Factor (28, 66 y 5m) = $7.64 - \{5/12 \times 0.39\} = 7.48$	

Each factor required for the calculation of a CETV should be interpolated in the same way as above.



5 Treatment of Pre-2015 accrued rights benefits transferred to/from AFPS15

5.1 Where a member transfers into AFPS 15 and has some final salary accrued benefits from their previous Club scheme, the final salary benefits will be transferred into AFPS 05.

5.2 The resulting transfer credit will be treated in the same way as accrued rights in AFPS 05.

Calculation of transfer in service credit – Incoming Final Salary Benefits going into AFPS05

5.3 A male member of AFPS15 aged 45 wishes to transfer his final salary benefits from another Club arrangement into AFPS. The Club transfer value from the incoming scheme is £100,000. The member's pensionable pay in the sending scheme as at the calculation date is £30,000. The sending scheme has a normal pension age of 65.

5.4 In accordance with the Club memorandum, final salary Club transfer in would be determined by firstly calculating the cost of purchasing one year's service in the scheme and then the total service credit to be awarded as follows:

$$\text{Cost of one year's service credit} = \frac{PP}{70} \times (F_p + 3 \times F_{ls} + 0.625 \times F_{sur})$$

where:

PP = Pensionable pay in sending scheme (£30,000)

F_p = Pension factor (18.45 – Member age 45, Table 109i)

F_{ls} = Lump sum factor (0.82 – Member age 45, Table 109i)

F_{sur} = Survivor's pension factor (1.52 – Member age 45, Table 109i)

Therefore:

$$\begin{aligned} \text{Cost of one year} &= \frac{£30,000}{70} \times (18.45 + 3 \times 0.82 + 0.625 \times 1.52) \\ &= £428.57 \times 21.86 \\ &= £9,368.57 \end{aligned}$$

$$\begin{aligned} \text{Total service credit} &= TV \div 1 \text{ yr} \\ &= £100,000 + £9,368.57 \\ &= \mathbf{10.674 \text{ years (10 years 246 days)}} \end{aligned}$$

5.5 Any CARE benefits will be transferred into AFPS 15 and treated as set out in section 3.



- 5.6 Where a member transfers out of AFPS 15 and has some final salary accrued benefits from the existing schemes, the accrued benefits are treated in the same way as is currently the case i.e. separate transfer values are calculated for benefits accrued in the final salary scheme and for CARE benefits under AFPS15. The total transfer value payable in this scenario will be the total of the AFPS05 and AFPS15 transfer values.



6 Exclusions and limitations

- 6.1 This guidance should not be used for any purpose other than those set out in this guidance.
- 6.2 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.
- 6.3 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.
- 6.4 This guidance only covers the actuarial principles around the calculation and application of Club transfer factors. Any legal advice in this area should be sought from an appropriately qualified person or source.
- 6.5 Scheme managers and administrators should satisfy themselves that Club transfer calculations and benefit awards comply with all legislative requirements including, but not limited to, tax and contracting-out requirements.
- 6.6 This guidance is based on the Regulations in force at the time of writing and the Club Memorandum in force at the time of writing. It is possible that future changes to the Regulations or Club Memorandum might create inconsistencies between this guidance and the Regulations or Club Memorandum. 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 or Club Memorandum. Administrators should ensure that they comply with all relevant Regulations and an up to date Club Memorandum.

Third party reliance

- 6.7 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.
- 6.8 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 AFPS05 final salary Club TV- in 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

Withdrawal rates	As per 2016 valuation
Proportion of male members for the purpose of unisexing factors	90%
Deferred Pension Age in the 2015 scheme	In accordance with HMT guidance
Officer / Other rank proportion	50% OF / 50% OR
Allowance for commutation	Nil



Appendix B: Factor Tables – Standard Club factors

**Table 101: Club Factors – Central Factors for Normal Pension Age 60
AFPS75, FTRS and NRPS members
Unisex factors**

Age last birthday at relevant date	Gross Pension of £1 per annum	Lump Sum of £1	Surviving Partner's Pension of £1 pa
16	7.88	0.40	0.83
17	8.05	0.41	0.85
18	8.22	0.42	0.87
19	8.40	0.43	0.89
20	8.58	0.44	0.92
21	8.77	0.45	0.94
22	8.96	0.46	0.96
23	9.15	0.47	0.98
24	9.35	0.48	1.01
25	9.55	0.49	1.03
26	9.76	0.50	1.06
27	9.97	0.51	1.08
28	10.19	0.52	1.11
29	10.41	0.53	1.13
30	10.64	0.54	1.16
31	10.87	0.55	1.18
32	11.11	0.56	1.21
33	11.35	0.57	1.24
34	11.60	0.58	1.26
35	11.85	0.59	1.29
36	12.11	0.61	1.31
37	12.38	0.62	1.34
38	12.65	0.63	1.37
39	12.93	0.65	1.39
40	13.22	0.66	1.42
41	13.51	0.67	1.44
42	13.81	0.69	1.47
43	14.12	0.70	1.49
44	14.44	0.72	1.52
45	14.76	0.73	1.54
46	15.09	0.75	1.56
47	15.44	0.76	1.59
48	15.79	0.78	1.61
49	16.15	0.79	1.63
50	16.51	0.81	1.66
51	16.89	0.83	1.68
52	17.28	0.85	1.70



53	17.69	0.87	1.72
54	18.10	0.88	1.74
55	18.53	0.90	1.76
56	18.97	0.92	1.77
57	19.43	0.94	1.79
58	19.90	0.97	1.80
59	20.39	0.99	1.81
60	20.38	1.00	1.82
61	19.87	1.00	1.84
62	19.34	1.00	1.85
63	18.81	1.00	1.86
64	18.28	1.00	1.87
65	17.74	1.00	1.88
66	17.19	1.00	1.89
67	16.64	1.00	1.89
68	16.08	1.00	1.90
69	15.52	1.00	1.90
70	14.94	1.00	1.89
71	14.37	1.00	1.89
72	13.79	1.00	1.88
73	13.21	1.00	1.86
74	12.62	1.00	1.85



**Table 102: Club Factors – Central Factors for Normal Pension Age 65
AFPS15, AFPS05, RFPS, AFPS75 and FTRS members
Unisex factors**

Age last birthday at relevant date	Gross Pension of £1 per annum	Lump Sum of £1	Surviving Partner's Pension of £1 pa
16	6.25	0.36	0.84
17	6.38	0.37	0.86
18	6.52	0.37	0.88
19	6.66	0.38	0.91
20	6.80	0.39	0.93
21	6.94	0.40	0.95
22	7.09	0.41	0.98
23	7.24	0.41	1.00
24	7.39	0.42	1.02
25	7.55	0.43	1.05
26	7.71	0.44	1.07
27	7.87	0.45	1.10
28	8.04	0.46	1.12
29	8.21	0.47	1.15
30	8.38	0.48	1.18
31	8.56	0.49	1.20
32	8.74	0.50	1.23
33	8.93	0.51	1.26
34	9.12	0.52	1.28
35	9.31	0.53	1.31
36	9.51	0.54	1.34
37	9.72	0.55	1.36
38	9.92	0.56	1.39
39	10.14	0.57	1.42
40	10.36	0.58	1.44
41	10.58	0.60	1.47
42	10.81	0.61	1.49
43	11.04	0.62	1.52
44	11.28	0.64	1.54
45	11.53	0.65	1.57
46	11.78	0.66	1.59
47	12.04	0.68	1.62
48	12.31	0.69	1.64
49	12.58	0.71	1.67
50	12.86	0.72	1.69
51	13.15	0.74	1.71
52	13.44	0.75	1.73
53	13.75	0.77	1.75
54	14.06	0.79	1.77



55	14.39	0.80	1.79
56	14.72	0.82	1.81
57	15.06	0.84	1.82
58	15.42	0.86	1.84
59	15.79	0.88	1.85
60	16.17	0.90	1.86
61	16.57	0.92	1.87
62	16.98	0.94	1.87
63	17.40	0.96	1.87
64	17.85	0.99	1.88
65	17.74	1.00	1.88
66	17.19	1.00	1.89
67	16.64	1.00	1.89
68	16.08	1.00	1.90
69	15.52	1.00	1.90
70	14.94	1.00	1.89
71	14.37	1.00	1.89
72	13.79	1.00	1.88
73	13.21	1.00	1.86
74	12.62	1.00	1.85



**Table 103: Club Factors – Central Factors for Normal Pension Age 66
AFPS15 members
Unisex factors**

Age last birthday at relevant date	Gross Pension of £1 per annum	Lump Sum of £1	Surviving Partner's Pension of £1 pa
16	5.95	0.35	0.84
17	6.08	0.36	0.87
18	6.20	0.36	0.89
19	6.33	0.37	0.91
20	6.47	0.38	0.93
21	6.60	0.39	0.96
22	6.74	0.40	0.98
23	6.88	0.40	1.00
24	7.03	0.41	1.03
25	7.18	0.42	1.05
26	7.33	0.43	1.08
27	7.48	0.44	1.10
28	7.64	0.45	1.13
29	7.80	0.46	1.15
30	7.97	0.46	1.18
31	8.13	0.47	1.21
32	8.31	0.48	1.23
33	8.48	0.49	1.26
34	8.66	0.50	1.29
35	8.84	0.51	1.31
36	9.03	0.53	1.34
37	9.22	0.54	1.37
38	9.42	0.55	1.39
39	9.62	0.56	1.42
40	9.83	0.57	1.45
41	10.04	0.58	1.47
42	10.26	0.59	1.50
43	10.48	0.61	1.52
44	10.70	0.62	1.55
45	10.94	0.63	1.58
46	11.17	0.65	1.60
47	11.42	0.66	1.62
48	11.67	0.67	1.65
49	11.93	0.69	1.67
50	12.19	0.70	1.70
51	12.46	0.72	1.72
52	12.74	0.73	1.74
53	13.03	0.75	1.76
54	13.32	0.77	1.78



55	13.62	0.78	1.80
56	13.94	0.80	1.82
57	14.26	0.82	1.83
58	14.60	0.84	1.85
59	14.94	0.86	1.86
60	15.30	0.88	1.87
61	15.68	0.90	1.88
62	16.06	0.92	1.88
63	16.46	0.94	1.89
64	16.88	0.96	1.89
65	17.32	0.99	1.89
66	17.19	1.00	1.89
67	16.64	1.00	1.89
68	16.08	1.00	1.90
69	15.52	1.00	1.90
70	14.94	1.00	1.89
71	14.37	1.00	1.89
72	13.79	1.00	1.88
73	13.21	1.00	1.86
74	12.62	1.00	1.85



**Table 104: Club Factors – Central Factors for Normal Pension Age 67
AFPS15 members
Unisex factors**

Age last birthday at relevant date	Gross Pension of £1 per annum	Lump Sum of £1	Surviving Partner's Pension of £1 pa
16	5.66	0.34	0.85
17	5.78	0.35	0.87
18	5.90	0.36	0.89
19	6.02	0.36	0.91
20	6.15	0.37	0.94
21	6.27	0.38	0.96
22	6.41	0.39	0.98
23	6.54	0.39	1.01
24	6.68	0.40	1.03
25	6.82	0.41	1.06
26	6.96	0.42	1.08
27	7.10	0.43	1.11
28	7.25	0.44	1.13
29	7.41	0.44	1.16
30	7.56	0.45	1.19
31	7.72	0.46	1.21
32	7.88	0.47	1.24
33	8.05	0.48	1.27
34	8.22	0.49	1.29
35	8.39	0.50	1.32
36	8.57	0.51	1.35
37	8.75	0.52	1.37
38	8.93	0.53	1.40
39	9.12	0.54	1.43
40	9.32	0.56	1.45
41	9.52	0.57	1.48
42	9.72	0.58	1.51
43	9.93	0.59	1.53
44	10.14	0.60	1.56
45	10.36	0.62	1.58
46	10.58	0.63	1.61
47	10.81	0.64	1.63
48	11.05	0.66	1.66
49	11.29	0.67	1.68
50	11.54	0.68	1.71
51	11.79	0.70	1.73
52	12.05	0.71	1.75
53	12.32	0.73	1.77
54	12.60	0.75	1.79



55	12.89	0.76	1.81
56	13.18	0.78	1.83
57	13.48	0.80	1.84
58	13.80	0.82	1.86
59	14.12	0.83	1.87
60	14.46	0.85	1.88
61	14.81	0.87	1.89
62	15.17	0.89	1.89
63	15.55	0.92	1.90
64	15.94	0.94	1.90
65	16.35	0.96	1.90
66	16.78	0.99	1.89
67	16.64	1.00	1.89
68	16.08	1.00	1.90
69	15.52	1.00	1.90
70	14.94	1.00	1.89
71	14.37	1.00	1.89
72	13.79	1.00	1.88
73	13.21	1.00	1.86
74	12.62	1.00	1.85



Table 105: Club Factors – Central Factors for Normal Pension Age 68
AFPS15 members
Unisex factors

Age last birthday at relevant date	Gross Pension of £1 per annum	Lump Sum of £1	Surviving Partner's Pension of £1 pa
16	5.37	0.33	0.85
17	5.49	0.34	0.87
18	5.60	0.35	0.89
19	5.72	0.35	0.92
20	5.83	0.36	0.94
21	5.96	0.37	0.96
22	6.08	0.38	0.99
23	6.21	0.38	1.01
24	6.33	0.39	1.04
25	6.47	0.40	1.06
26	6.60	0.41	1.09
27	6.74	0.42	1.11
28	6.88	0.42	1.14
29	7.02	0.43	1.16
30	7.17	0.44	1.19
31	7.32	0.45	1.22
32	7.47	0.46	1.24
33	7.62	0.47	1.27
34	7.78	0.48	1.30
35	7.95	0.49	1.33
36	8.11	0.50	1.35
37	8.28	0.51	1.38
38	8.46	0.52	1.41
39	8.64	0.53	1.43
40	8.82	0.54	1.46
41	9.01	0.55	1.49
42	9.20	0.56	1.51
43	9.39	0.58	1.54
44	9.59	0.59	1.57
45	9.80	0.60	1.59
46	10.01	0.61	1.62
47	10.22	0.63	1.64
48	10.44	0.64	1.67
49	10.67	0.65	1.69
50	10.90	0.67	1.72
51	11.14	0.68	1.74
52	11.39	0.70	1.76
53	11.64	0.71	1.78



54	11.90	0.73	1.80
55	12.17	0.74	1.82
56	12.44	0.76	1.84
57	12.73	0.78	1.85
58	13.02	0.79	1.87
59	13.33	0.81	1.88
60	13.64	0.83	1.89
61	13.97	0.85	1.90
62	14.31	0.87	1.91
63	14.66	0.89	1.91
64	15.03	0.91	1.91
65	15.41	0.94	1.91
66	15.81	0.96	1.91
67	16.24	0.99	1.90
68	16.08	1.00	1.90
69	15.52	1.00	1.90
70	14.94	1.00	1.89
71	14.37	1.00	1.89
72	13.79	1.00	1.88
73	13.21	1.00	1.86
74	12.62	1.00	1.85



Table 113: Club Factors – Factors for adjusting the transfer payments for CARE benefits
AFPS15 members
Unisex factors

Complete years to NPA	Adjustment factor – Inflation + 1% pa	Adjustment factor – Inflation + 1.25% pa	Adjustment factor – Inflation + 1.5% pa	Adjustment factor – Inflation + 1.6% pa	Adjustment factor – Earnings
0	1.010	1.013	1.015	1.016	1.022
1	1.014	1.017	1.021	1.022	1.031
2	1.018	1.023	1.027	1.029	1.040
3	1.023	1.028	1.034	1.036	1.050
4	1.027	1.034	1.041	1.044	1.060
5	1.032	1.040	1.048	1.051	1.071
6	1.036	1.046	1.055	1.059	1.082
7	1.041	1.052	1.062	1.067	1.092
8	1.046	1.058	1.070	1.074	1.104
9	1.051	1.064	1.077	1.083	1.115
10	1.056	1.070	1.085	1.091	1.127
11	1.061	1.077	1.093	1.099	1.139
12	1.066	1.083	1.101	1.108	1.151
13	1.071	1.090	1.109	1.116	1.163
14	1.076	1.096	1.117	1.125	1.175
15	1.082	1.103	1.125	1.134	1.188
16	1.087	1.110	1.133	1.142	1.201
17	1.092	1.116	1.141	1.151	1.213
18	1.097	1.123	1.150	1.160	1.226
19	1.103	1.130	1.158	1.169	1.239
20	1.108	1.137	1.166	1.178	1.253
21	1.114	1.144	1.175	1.187	1.266
22	1.119	1.151	1.183	1.197	1.279
23	1.124	1.158	1.192	1.206	1.293
24	1.130	1.165	1.201	1.215	1.307
25	1.135	1.172	1.209	1.225	1.321
26	1.141	1.179	1.218	1.234	1.335
27	1.146	1.186	1.227	1.244	1.349
28	1.152	1.193	1.236	1.253	1.364
29	1.157	1.200	1.245	1.263	1.378
30	1.163	1.208	1.254	1.273	1.393



31	1.169	1.215	1.263	1.283	1.407
32	1.174	1.222	1.272	1.292	1.422
33	1.180	1.229	1.281	1.302	1.437
34	1.185	1.237	1.290	1.312	1.452
35	1.191	1.244	1.300	1.322	1.468
36	1.197	1.252	1.309	1.332	1.483
37	1.202	1.259	1.318	1.343	1.498
38	1.208	1.267	1.328	1.353	1.514
39	1.214	1.274	1.337	1.363	1.530
40	1.220	1.282	1.347	1.373	1.546
41	1.225	1.289	1.356	1.384	1.562
42	1.231	1.297	1.366	1.394	1.578
43	1.237	1.304	1.375	1.405	1.594
44	1.243	1.312	1.385	1.415	1.611
45	1.248	1.319	1.394	1.425	1.627
46	1.254	1.327	1.404	1.436	1.643
47	1.260	1.334	1.413	1.446	1.659
48	1.265	1.341	1.422	1.456	1.675
49	1.271	1.349	1.431	1.466	1.691
50	1.276	1.356	1.441	1.476	1.707
51	1.282	1.363	1.450	1.486	1.723
52	1.287	1.371	1.460	1.497	1.740
53	1.293	1.378	1.469	1.507	1.756
54	1.298	1.386	1.479	1.518	1.773
55	1.304	1.393	1.488	1.528	1.790



Appendix C: Factor Tables – AFPS05 final salary Club transfer in factors

Table 1-109i: Club Transfer In Factors – Club transfers in from Final Salary Schemes to AFPS05 or APFS15 (accepted into AFPS05)

Unisex factors

Age	Gross pension of £1 per annum	Lump sum of £1	Survivor's pension of £1 per annum with partner	Survivor's pension of £1 per annum without partner	Deduction for GMP of £1 pa	Deduction for NI modification of £1 pa
16	9.72	0.55	0.82	0.82	0.00	0.00
17	9.94	0.56	0.84	0.84	0.00	0.00
18	10.16	0.58	0.86	0.86	0.00	0.00
19	10.38	0.59	0.89	0.89	0.00	0.00
20	10.61	0.63	0.91	0.91	0.00	0.00
21	10.85	0.66	0.93	0.93	0.00	0.00
22	11.09	0.68	0.95	0.95	0.00	0.00
23	11.33	0.70	0.98	0.98	0.00	0.00
24	11.58	0.74	1.00	1.00	0.00	0.00
25	11.84	0.77	1.02	1.02	0.00	0.00
26	12.10	0.81	1.05	1.05	0.00	0.00
27	12.37	0.85	1.07	1.07	0.00	0.00
28	12.65	0.88	1.10	1.10	0.00	0.00
29	12.93	0.91	1.12	1.12	0.00	0.00
30	13.21	0.94	1.15	1.15	0.00	0.00
31	13.51	0.97	1.17	1.17	0.00	0.00
32	13.81	1.03	1.20	1.20	0.00	0.00
33	14.11	1.06	1.22	1.22	0.00	0.00
34	14.43	1.01	1.25	1.25	0.00	0.00
35	14.75	0.96	1.27	1.27	0.00	0.00
36	15.08	0.91	1.30	1.30	0.00	0.00
37	15.42	0.69	1.32	1.32	0.00	0.00
38	15.77	0.71	1.35	1.35	0.00	0.00
39	16.12	0.72	1.37	1.37	0.00	0.00
40	16.49	0.74	1.40	1.40	0.00	0.00
41	16.86	0.75	1.42	1.42	0.00	0.00
42	17.24	0.77	1.45	1.45	0.00	0.00
43	17.64	0.78	1.47	1.47	0.00	0.00
44	18.04	0.80	1.50	1.50	0.00	0.00
45	18.45	0.82	1.52	1.52	0.00	0.00
46	18.88	0.83	1.54	1.54	0.00	0.00
47	19.31	0.85	1.57	1.57	0.00	0.00



48	19.76	0.87	1.59	1.59	0.00	0.00
49	20.22	0.89	1.61	1.61	0.00	0.00
50	20.69	0.91	1.63	1.63	0.00	0.00
51	21.18	0.93	1.66	1.66	0.00	0.00
52	21.68	0.95	1.68	1.68	0.00	0.00
53	22.19	0.97	1.69	1.69	0.00	0.00
54	22.72	0.99	1.71	1.71	0.00	0.00