



Government
Actuary's
Department

The New Firefighters' Pension Scheme 2006 (Scotland)

Individual Cash Equivalent Transfers

Factors and guidance

Date: 3 May 2020





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1 Introduction

- 1.1 This note is provided for the Scottish Public Pensions Agency (SPPA) as the scheme manager of the New Firefighters' Pension Scheme in Scotland and sets out the general method of assessing:
- Public Sector Club transfer values and
 - Statutory Cash Equivalent Transfer Values (i.e. non-Club transfers)
- 1.2 This guidance relates only to benefits accrued under the New Firefighters' Pension Scheme Regulations 2007 in Scotland, hereafter referred to as "the NFPS". Some firefighters may also have benefits under the 2015 Scheme or the 1992 scheme should be dealt with separately according to relevant scheme guidance.
- 1.3 The factors provided in this note have been prepared in light of our advice to the SPPA dated 30 October 2018 and its instructions following that advice.
- 1.4 This guidance is intended to supersede any factors or advice previously issued, for the purposes of Club transfer value calculations or statutory cash equivalent transfer value calculations, which rely on input from the Scheme Actuary. In particular, this guidance supersedes:
- "New Firefighters' Pension Scheme 2006: Transfer Values and Pension Sharing" dated 30 April 2009 and,
 - "New Firefighters' Pension Scheme 2006: Statutory Cash Equivalent Transfer Values" dated 14 February 2012 and,
"New Firefighters' Pension Scheme 2006: Examples of Club Transfer Calculations" guidance dated 30 December 2011 and,
 - "New Firefighters' Pension Scheme– Addendum to GAD guidance for calculating Statutory Cash Equivalent Transfer Values" dated 1 September 2015 and,
 - Addendum to GAD Examples of Club Transfer Calculations" dated September 2015 and,
 - Addendum to GAD guidance note "Firefighters' Pension scheme 1992: Statutory Cash Equivalent Transfer Values" dated 29 April 2016
- 1.5 This note contains the tables and guidance to be issued by the Scheme Actuary that is referred to in the following regulations of The Firefighters' Pensions Regulations 2007 (SSI 2007 No. 199):
- Part 12 Rule 6 – calculating amounts of transfer value payments
- 1.6 The remainder of this introduction contains:
- Details of the implementation and future review of this guidance
 - Statements about the use of this note and third-party reliance



1.7 In the remainder of this note:

- Sections 2 and 3 describe the issues and set out the formulae
- Section 4 contains examples
- Appendix A sets out the factor tables
- Appendix B sets out the principal assumptions underlying the factors contained in this guidance note
- Appendix C sets out some important limitations

Special Members

1.8 The New Firefighters' Pension Scheme (Scotland) Amendment (No 2) Order 2014 (SSI 2014 No. 110) amended the 2006 scheme to provide those employees who were employed as retained firefighters prior to 5 April 2006 with pension benefits in respect of that period.

1.9 Such members are known as Special members in the NFPS and have a different benefit structure to other members of the NFPS Scheme. In particular, Special members:

- accrue benefits at a rate of 1/45ths of Final Pensionable Pay for each year and part year of Pensionable Service
- have a normal retirement age of 55 and a normal benefit age of 60.

Members who have both Standard and Special benefits within the 2006 Scheme

1.10 A member may have a combination of Standard and Special benefits within the 2006 Scheme.

1.11 This situation may occur where:

- the member elects to purchase Special member deferred benefits, but also chooses not to convert any Standard 2006 scheme benefits accrued in respect of Post April 2006 service, or
- an active firefighter member elects to convert Standard 2006 benefits, but subsequently defaults on the periodic payments required to complete this purchase, with the default occurring prior to the CETV calculation date

1.12 CETV's for the member's Standard and Special benefits should be calculated separately, based on the Standard and Special factors set out in Appendix A this guidance, as appropriate.

1.13 The member's total CETV will be the sum of the CETV in respect of their Standard 2006 scheme benefits and the CETV in respect of their Special member benefits.



Assumed benefit structure valued in CETV calculation

- 1.14 Firefighters and ex-firefighters who elect to purchase Special benefits are required to pay backdated pension contributions, either as an immediate lump sum payment or as monthly contributions ('periodic payments') spread over a period of 10 years. Pensioner members do not have the option to pay though monthly contributions.
- 1.15 When calculating the benefits to be valued as part of the CETV, a member who elects to purchase Special benefits is assumed to accrue the full benefits purchased on the date that their options election is processed, i.e. either the date that the member pays the lump sum payment to purchase benefits, or the date that the first periodic payment is made.
- 1.16 Members who elect to pay for their Special benefits through periodic payments may still be paying periodic payments at the CETV calculation date. This guidance does not allow for any reduction to the CETV in respect of any outstanding contributions due by these members and assumes that the member continues to pay the required contributions after the CETV has been paid.
- 1.17 There may be alternative legal interpretations of the benefit structure to be valued for members who are still making periodic payments as at the CETV calculation date. If it is not appropriate for the member's CETV to be calculated in line with methodology outlined in paragraph 1.15, the case should be referred to GAD.

Implementation and Review

- 1.18 In previous factors and guidance for Statutory CETVs (i.e. non-Club transfer values), an adjustment was applied to GMP to reflect the inflationary increases on the GMP, which were the responsibility of the State Scheme after GMP Payment Age. Following the requirement to equalise GMPs as set out in our letter "GMP Equalisation: Calculations involving actuarial factors" dated 22 August 2019, the GMP adjustment factor has been removed from the calculation methodology for all members reaching State Pension age after 6 April 2016 with effect from the date of receipt of this guidance note.
- 1.19 Our understanding of the usual transitional arrangements for Cash Equivalent Transfer Values is that quotes are made using factors effective at that time. Therefore, where calculations are carried out before the date of receipt of this guidance note we would expect the following to apply:
- If the member replies within the guarantee period and before the implementation date, the original quote is honoured including the adjustment applied to GMP.
 - If the member replies within the guarantee period but after implementation date, the approach most beneficial to member are used.
 - If the member replies outside of the guarantee period, the CETV is recalculated. No adjustment is made in respect of GMP.



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- 1.20 Any current cases where a Statutory CETV quotation is required for a member with GMP reaching State Pension age before 6 April 2016 should be referred to GAD.
 - 1.21 Club transfers calculated after 1 March 2017 no longer include any adjustment factors for GMPs.
 - 1.22 The statutory CETV factors contained in this guidance apply from 29 October 2018. The Club factors contained in this guidance apply from 1 April 2019. This guidance will apply with immediate effect.
 - 1.23 This guidance has been written for pension administrators and assumes some knowledge of general pension terminology, and some familiarity with retirement calculations for the New Firefighters' Pension Scheme (Scotland). Any questions concerning the application of the guidance should, in the first instance, be referred to the Firefighters' Pensions team at the SPPA.
 - 1.24 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.
 - 1.25 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.

Third party reliance

- 1.26 This guidance has been prepared for the use of the SPPA for the purposes of demonstrating the application of the factors covered by this guidance only. This guidance may be published on the SPPA'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.
- 1.27 Other than the SPPA, no person or third party is entitled to place any reliance on the contents of this guidance, except to any extent explicitly stated herein. GAD has no liability to any person or third party for any action taken or for any failure to act, either in whole or in part, on the basis of this guidance, whether or not GAD has agreed to the disclosure of its advice to the third party.



2 Club transfers out

Club transfers out

- 2.1 Members of the New Firefighters' Pension Scheme 2006 (NFPS) are generally entitled to take a transfer value to another pension arrangement. Where the new pension scheme is another scheme that participates in the Public Sector Transfer Club, the transfer will normally be affected on Club terms.
- 2.2 The Public Sector Transfer Club: Memorandum by the Cabinet Office¹ issued in April 2019 ('the Club Memorandum') sets out how pension credits and the Club transfer out payment should be calculated. This note should be used in combination with the approach set out in the Club Memorandum.
- 2.3 The New Firefighters' Pension Scheme Regulations 2007 in Scotland define the circumstances under which a member is entitled to take a transfer value. Members with over three months of qualifying service would generally be entitled to a transfer value. Members with less than three months of qualifying service would normally be entitled to a refund of contributions.

Guarantee Date

- 2.4 The relevant date for calculating a transfer value is the "guarantee date" as defined in The Occupational Pensions Schemes (Transfer Values) Regulations 1996, i.e. it must be within 3 months (or exceptionally 6 months) of the date of the member's application.

Calculation of pension benefits

- 2.5 The benefits to be valued for serving firefighters are those that would be payable if the member had left service on the date of the calculation.
- 2.6 The benefits to be valued for a deferred member should include revaluation to the guarantee date. The accrued pension benefits should be calculated at the last day of service, and then increased in line with Pensions Increase (Review) Orders.

Survivor's pension

- 2.7 The factor for the survivor's pension does not depend on whether or not the member has a partner who would qualify for a survivor's pension in the event of the member's death.

¹ <https://www.civilservicepensionscheme.org.uk/media/474506/club-memorandum-april-2019.pdf>



Calculation of the transfer value (Club transfers)

2.8 The formula to calculate the Club transfer is set out below. Paragraph 2.9 provides the formula for standard members entitled to Club transfer out with deferred pension age of 65. Paragraph 2.10 sets out the formula for Specials members entitled to a Club transfer out with deferred pension age of 60.

2.9 For standard members entitled to deferred benefits from age 65 the transfer value should be calculated using the following formula.

$$(CP + APB_{pen}) \times F_p + (SUR + APB_{sur}) \times F_{sur}$$

CP	member's pension
APB _{pen}	Additional pension from CPD contributions or LSI
SUR	pension payable on the death of the member to their spouse or partner
APB _{sur}	Additional pension payable on the death of the member to their spouse or partner from CPD contributions or LSI
F _p	factor for member's pension – from table 3 of the Club Memorandum
F _{sur}	factor for survivor's pension – from table 3 of the Club Memorandum

2.10 For Special members entitled to deferred benefits from age 60 the transfer value should be calculated using the following formula.

$$(CP + APB_{pen}) \times F_p + (SUR + APB_{sur}) \times F_{sur}$$

CP	member's pension
APB _{pen}	Additional pension from CPD contributions or LSI
SUR	pension payable on the death of the member to their spouse or partner
APB _{sur}	Additional pension payable on the death of the member to their spouse or partner from CPD contributions or LSI
F _p	factor for member's pension – From table 2 of the Club Memorandum
F _{sur}	factor for survivor's pension – From table 2 of the Club Memorandum

2.11 Previous Club Memoranda included a table of adjustment (AMC) factor to allow for changes in market conditions. AMC factors no longer apply to Club transfers from 1 January 2012; however, some schemes may find it easier to retain an AMC table but based on factors of 1.00 for all yields and ages. Similarly, Club transfers that were calculated before 1 March 2017 were adjusted to take account of GMPs and National Insurance modification. The tables of factors effective from that date no longer include any factors for GMP or National Insurance modification adjustments. As with the AMC factors, some schemes may find it easier to retain GMP and National Insurance modification factors, in which the factor will be 0.00 in all cases.



Members with a pension debit

- 2.12 The transfer value should be calculated in two stages. First, a gross transfer value should be calculated ignoring the pension debit. Second, the value of the pension debit should be calculated (i.e. the transfer value of a deferred pension of the same amount as the debit). The results of both calculations should be passed to the receiving scheme. The transfer value paid is the net amount: the gross transfer value less the value of the pension debit.

Alerting members to the statutory CETV transfer route

- 2.13 In some circumstances a statutory CETV (non-Club) transfer may produce a higher service credit for the member in the receiving scheme than a Club transfer. On responding to a request for a Club transfer value, the fire pension administrator should suggest to the administrator of the receiving scheme that they alert the member to the possibility that the statutory CETV route could, in some circumstances, result in a higher service credit. It would then be for the member to consider acting on the information by requesting a statutory CETV quotation from NFPS. Such cases are expected to be infrequent and are most likely to arise when an individual has taken a large drop in salary when moving.

Members entitled to a split pension

- 2.14 Under Part 3 Rule 7, a member is entitled to a split pension if, on changing role they have suffered a reduction in pay, or for those who stay in the same role but become entitled to a different rate of pay which impacts adversely on pensionable pay at the point of retirement. In accordance with this rule, two pension calculations should be carried out, the first allowing for a split award and the payment of two pensions and the second as a single award. The greater of the two pension values should be used in the calculation of the transfer value.



3 Statutory CETV transfers out

3.1 The calculation of a statutory CETV (i.e. non-Club transfer value) is set out below:

$$(CP + APB_{pen}) \times F_p + (SUR + APB_{sur}) \times F_{sur}$$

CP	member's pension
APB _{pen}	Additional pension from CPD contributions or LSI
SUR	pension payable on the death of the member to their partner
APB _{sur}	Additional pension payable on the death of the member to their partner from CPD contributions or LSI
F _p	factor for member's pension – Table A1, A2 or A3
F _{sur}	factor for survivor's pension – Table A1, A2 or A3

3.2 Additional factor tables are required for Special members (see Tables B1 and B2 in Appendix A). Consequently, the factors referred to in section 3.1 of the guidance note are either taken from Tables A1, A2 or A3 (as applicable) if the member in question is a Standard member, or from Tables B1 or B2 (as applicable) if the member in question is a Special member.

Underpin in respect of previous transfer in

3.3 If the member has received a transfer in of benefits from another scheme, then an underpin applies to the CETV. The underpin is calculated using the following formula:

$$\text{Underpin} = TV_{ActSer} + TV_{in}$$

TV _{ActSer}	the transfer value based on actual service, calculated in accordance with 3.4 below
TV _{in}	the value of the previous transfer in, calculated in accordance with 3.5 below

3.4 The transfer value based on actual service is calculated in accordance with section 3.1, but the value of the benefits is based on reckonable service in the NFPS ignoring any service credit in respect of the previous transfer in. The member's pension (CP) and the pension payable on the death of the member to their spouse or partner (SUR) should be recalculated using the lower service figure.

3.5 The value of transferred in service TV_{in} is usually the total of previous transfer values received by the fire pension administrator but there are some exceptions. The value to use for different type of transfer in are as follows:

- where the transfer in was a statutory CETV (i.e. non-Club) transfer, TV_{in} is the transfer value that was received



- where the transfer in was a Club transfer, TV_{in} is the transfer value that was received
- where the transfer in was from the Firefighters' Pension Scheme 1992 (FPS) on the special conversion terms available from that scheme in certain circumstances, TV_{in} is the CETV that would otherwise have been available on the effective date of the transfer
- where the transfer in was from a bulk transfer into the NFPS, TV_{in} is the CETV that would have been available from the member's previous scheme at the date of transfer

If more than one transfer in has been received, TV_{in} should be the sum of the specified figures for all the transfers received.

If the underpin calculated in 3.3 is greater than the transfer value calculated in 3.1, then the transfer value should be increased so that it equals the underpin.

Value of GMP benefits

- 3.6 The previous version of this guidance note included calculation methodology to allow administrators to value the accrued GMP, typically for use in cases where the value of the GMP was to be quoted separately or liability for the GMP was to be retained within the NFPS. The GMP valuation factor was provided for this purpose. We understand that there is no longer a requirement to provide the value of the GMP on transfer values and therefore we have not included the calculation methodology or factors in this guidance. Please contact GAD if a GMP value is required for a particular case.

Pension debit members

- 3.7 If a pension debit member requests a statutory CETV, the member's benefits should be calculated as at the guarantee date, initially ignoring the pension debit. The pension debit should be revalued to the guarantee date and deducted from the member's benefits. The transfer value quotation should be based on the benefits after subtraction of the debit.

Transfers to other fire authorities

- 3.8 For transfers between Scottish fire authorities, the member's service record should be transferred but there is no requirement to calculate a transfer value or to make a transfer payment. Transfers to fire authorities in England, Wales and Northern Ireland require the calculation and payment of a transfer value. The member's service should be transferred. The calculation of a service credit is not required.



4 Example calculations

- 4.1 This section provides examples of the calculations described by this note.
- 4.2 All the examples in section 4 relate to firefighter members who are standard members.
- 4.3 For calculations involving special members, the same methodology is used but the 1/60 accrual rate is replaced by 1/45 and the factors are taken from Tables B1 or B2 as applicable.
- 4.4 Figures in these example calculations are rounded to a suitable level of accuracy. Where a figure is shown as an intermediate step in the calculation, subsequent steps will use this rounded figure as written on the page. It is also perfectly acceptable to perform these calculations on a computer spreadsheet, such as MS Excel. In this case the figures calculated in the intermediate steps will usually not be rounded, so the final answer may be slightly different to that shown in these examples. The difference will not be significant and both methods are valid. However, when performing calculations for paper-based calculations, the figures calculated as intermediate steps should not be rounded to a lower level of accuracy than used in these examples.



4.5 Club transfer out

The following information is needed for this calculation:

A. Member date of birth	25 May 1975
B. Last date of service	10 Aug 2020
C. Guarantee date	11 Aug 2020
D. Member age as at calculation date	45
E. Marital status	Not required
F. Deferred pension age	65
G. Member's pension	£5,167.12 pa
H. Contingent spouse pension	£2,583.56 pa
I. Additional Pension from CPD contributions or LSI	nil

Formula

From 2.9, the formula to calculate the Club transfer value is:

$$[(CP + APB_{pen}) \times F_p + (SUR + APB_{sur}) \times F_{sur}]$$

Inputs

CP = £5,167.12 pa

SUR = £2,583.56 pa

APB_{pen} and APB_{sur} = £0.00

F_p = 11.530 (From table 3 of the Club Memorandum)

F_{sur} = 1.570 (From table 3 of the Club Memorandum)

Calculation

Substituting these values into the formula we get:

$$\begin{aligned}
 TV &= [(£5,167.12 \times 11.530) + (£2,583.56 \times 1.570)] \\
 &= [£59,576.89 + £4,056.19] \\
 &= £63,633.08
 \end{aligned}$$

Therefore the Transfer Value out is **£63,633.08**.



4.6 Statutory CETV transfer out

The following information is needed for this calculation:

A. Member date of birth	14 Feb 1962
B. Last date of service	10 Sep 2020
C. Guarantee date	11 Sep 2020
D. Member age as at calculation date	58
F. Gender	Male
G. Final Pensionable Pay	£36,000.00
H. Reckonable service of which:	15 years, 150 days
Current service in NFPS	10 years, 150 days
Service credit from CETV transfer value received	5 years
I. CETV received by Fire Authority	£67,300.00
L. Have the figures in J & K been revalued?	Yes
M. Additional Pension from CPD contributions or LSI	nil

Formula

From 3.1, the formula to calculate the statutory transfer value is:

$$(CP + APB_{pen}) \times F_p + (SUR + APB_{sur}) \times F_{sur}$$

Inputs

$$CP = (1 \div 60) \times £36,000.00 \times (15 + (150 \div 365)) = £9,246.58 \text{ pa}$$

$$APB_{pen} \text{ and } APB_{sur} = £0.00$$

$$SUR = 0.5 \times £9,246.58 = £4,623.29 \text{ pa}$$

$$F_p = 13.58 \text{ (from Table A1 "Pension of £1 pa" column)}$$

$$F_{sur} = 3.54 \text{ (from Table A1 "Survivor's pension of £1 pa" column)}$$

Calculation

Substituting these values into the formula we get:

$$TV = (£9,246.58 \times 13.58) + (£4,623.29 \times 3.54)$$

$$= (£125,568.56 + £16,366.45)$$

$$= £141,935.01$$

Therefore, the Transfer Value out is **£141,935.01** before checking the underpin.



Underpin

For the underpin calculation, first a transfer value needs to be calculated for the current period of service in NFPS – see section 3.3.

Underpin Calculation inputs

$$CP = (1 \div 60) \times £36,000.00 \times (10 + (150 \div 365)) = £6,246.58 \text{ pa}$$

$$SUR = 0.5 \times £6,246.58 = £3,123.29 \text{ pa}$$

F_p , and F_{sur} are unchanged

Underpin Calculation

Substituting these values into the transfer value formula, we get:

$$TV_{ActSer} = (£6,246.58 \times 13.58) + (£3,123.29 \times 3.54)$$

$$= £84,828.56 + £11,056.45$$

$$= £95,885.01$$

Therefore, the Transfer Value out for the 10 years and 150 days' service is £95,885.01

The underpin formula and value is:

$$\text{Underpin} = TV_{ActSer} + TV_{in}$$

$$= £95,885.01 + £67,300.00$$

$$= £163,185.01$$

The Underpin value is higher than the statutory CETV. Therefore, the higher transfer value of **£163,185.01** should be issued.



Appendix A: Factor tables

Table A1 (Table 203 in consolidated factors spreadsheet): CETV transfer value factors for deferred benefits from 65 (males)

Age last birthday at relevant date	Gross Pension of £1 per annum	Surviving Partner's Pension of £1 per annum
18	5.82	1.59
19	5.94	1.67
20	6.06	1.71
21	6.18	1.76
22	6.31	1.80
23	6.44	1.84
24	6.58	1.89
25	6.71	1.93
26	6.85	1.98
27	6.99	2.03
28	7.14	2.07
29	7.29	2.12
30	7.44	2.17
31	7.59	2.22
32	7.75	2.27
33	7.91	2.32
34	8.08	2.37
35	8.24	2.42
36	8.42	2.48
37	8.59	2.53
38	8.77	2.58
39	8.96	2.63
40	9.15	2.68
41	9.35	2.73
42	9.54	2.78
43	9.75	2.83
44	9.96	2.88
45	10.17	2.93
46	10.39	2.98
47	10.62	3.03
48	10.85	3.08
49	11.09	3.13
50	11.33	3.19
51	11.58	3.24
52	11.84	3.29
53	12.10	3.33
54	12.38	3.38
55	12.66	3.43
56	12.96	3.47
57	13.26	3.51
58	13.58	3.54
59	13.91	3.58
60	14.26	3.60
61	14.62	3.63
62	15.01	3.65
63	15.41	3.66
64	15.84	3.67



Table A2 (Table 204 in consolidated factors spreadsheet): CETV transfer value factors for deferred benefits from 65 (females)

Age last birthday at relevant date	Gross Pension of £1 per annum	Surviving Partner's Pension of £1 per annum
18	5.82	1.59
19	5.94	1.67
20	6.06	1.71
21	6.18	1.76
22	6.31	1.80
23	6.44	1.84
24	6.58	1.89
25	6.71	1.93
26	6.85	1.98
27	6.99	2.03
28	7.14	2.07
29	7.29	2.12
30	7.44	2.17
31	7.59	2.22
32	7.75	2.27
33	7.91	2.32
34	8.08	2.37
35	8.24	2.42
36	8.42	2.48
37	8.59	2.53
38	8.77	2.58
39	8.96	2.63
40	9.15	2.68
41	9.35	2.73
42	9.54	2.78
43	9.75	2.83
44	9.96	2.88
45	10.17	2.93
46	10.39	2.98
47	10.62	3.03
48	10.85	3.08
49	11.09	3.13
50	11.33	3.19
51	11.58	3.24
52	11.84	3.29
53	12.10	3.33
54	12.38	3.38
55	12.66	3.43
56	12.96	3.47
57	13.26	3.51
58	13.58	3.54
59	13.91	3.58



Table A3 (Table 205 in consolidated factors spreadsheet): CETV transfer value factors for deferred benefits from 65 (females ages 60 and above)

Age last birthday at relevant date	Gross Pension of £1 per annum	Surviving Partner's Pension of £1 per annum
60	14.26	3.60
61	14.62	3.63
62	15.01	3.65
63	15.41	3.66
64	15.84	3.67



Table B1 (Table 206 in consolidated factors spreadsheet): CETV transfer value factors for deferred benefits from 60 (males)

Age last birthday at relevant date	Gross Pension of £1 per annum	Surviving Partner's Pension of £1 per annum	Deduction for NI Modification of £1 per annum
18	7.50	1.57	4.33
19	7.66	1.65	4.45
20	7.82	1.69	4.57
21	7.99	1.73	4.70
22	8.16	1.77	4.82
23	8.33	1.82	4.95
24	8.51	1.86	5.09
25	8.69	1.90	5.23
26	8.88	1.95	5.37
27	9.07	2.00	5.51
28	9.26	2.04	5.66
29	9.46	2.09	5.82
30	9.66	2.14	5.97
31	9.87	2.19	6.13
32	10.08	2.23	6.30
33	10.30	2.28	6.47
34	10.52	2.33	6.65
35	10.75	2.38	6.83
36	10.98	2.43	7.01
37	11.22	2.48	7.20
38	11.47	2.53	7.40
39	11.72	2.58	7.60
40	11.97	2.63	7.80
41	12.24	2.68	8.01
42	12.51	2.73	8.23
43	12.79	2.78	8.46
44	13.07	2.83	8.69
45	13.36	2.88	8.92
46	13.66	2.92	9.16
47	13.97	2.97	9.41
48	14.28	3.02	9.67
49	14.61	3.07	9.93
50	14.94	3.12	10.20
51	15.28	3.17	10.48
52	15.63	3.22	10.76
53	16.00	3.26	11.05
54	16.37	3.31	11.36
55	16.76	3.35	11.67
56	17.16	3.39	11.99
57	17.58	3.43	12.31
58	18.02	3.46	12.65
59	18.48	3.49	13.00



Table B2 (Table 207 in consolidated factors spreadsheet): CETV transfer value factors for deferred benefits from 60 (females)

Age last birthday at relevant date	Gross Pension of £1 per annum	Surviving Partner's Pension of £1 per annum	Deduction for NI Modification of £1 per annum
18	7.50	1.57	4.47
19	7.66	1.65	4.60
20	7.82	1.69	4.72
21	7.99	1.73	4.85
22	8.16	1.77	4.98
23	8.33	1.82	5.12
24	8.51	1.86	5.26
25	8.69	1.90	5.40
26	8.88	1.95	5.55
27	9.07	2.00	5.70
28	9.26	2.04	5.86
29	9.46	2.09	6.02
30	9.66	2.14	6.18
31	9.87	2.19	6.35
32	10.08	2.23	6.53
33	10.30	2.28	6.71
34	10.52	2.33	6.89
35	10.75	2.38	7.08
36	10.98	2.43	7.27
37	11.22	2.48	7.47
38	11.47	2.53	7.68
39	11.72	2.58	7.89
40	11.97	2.63	8.10
41	12.24	2.68	8.32
42	12.51	2.73	8.55
43	12.79	2.78	8.79
44	13.07	2.83	9.03
45	13.36	2.88	9.27
46	13.66	2.92	9.53
47	13.97	2.97	9.79
48	14.28	3.02	10.06
49	14.61	3.07	10.33
50	14.94	3.12	10.62
51	15.28	3.17	10.91
52	15.63	3.22	11.21
53	16.00	3.26	11.52
54	16.37	3.31	11.84
55	16.76	3.35	12.17
56	17.16	3.39	12.51
57	17.58	3.43	12.85
58	18.02	3.46	13.21
59	18.48	3.49	13.58



Appendix B: Assumptions underlying factors

Financial assumptions

Nominal discount rate	4.448% pa
CPI	2.00% pa
Real discount rate (in excess of CPI)	2.40% pa

Mortality assumptions

Base mortality tables and adjustments	As per 2016 valuation: Males: 134% of S2NMA and Females: 134% of S2NFA Dependant: 134% of S2NMA and 118% of S2NFA
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	95%
Age difference between member and partner	Males assumed 3 years older than female partner and females assumed to be 3 years younger than partner
Proportions partnered	75% of members assumed married at retirement (80% assumed partnered)
Allowance for commutation	Nil



Appendix C: Limitations

- C.1 This guidance should not be used for any purpose other than those set out in this guidance.
- C.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.
- C.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.
- C.4 This guidance only covers the actuarial principles around the calculation and application of individual transfer factors. Any legal advice in this area should be sought from an appropriately qualified person or source.
- C.5 Scheme managers and administrators should satisfy themselves that individual transfer calculations and benefit awards comply with all legislative requirements including, but not limited to, tax and contracting-out requirements.
- C.6 This guidance is based on the Regulations in force at the time of writing. It is possible that future changes to the Regulations might create inconsistencies between this guidance and the Regulations. If users of this guidance believe there to be any such inconsistencies, they should bring this to the attention of the SPPA and GAD. Under no circumstances should this guidance take precedence over the Regulations. Administrators should ensure that they comply with all relevant Regulations.