



Government Actuary's Department

New Judicial Pension Scheme 2015

Factors for transfers in

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1 Introduction

- 1.1 This note is addressed to the Lord Chancellor in his capacity as the scheme manager of the New Judicial Pension Scheme 2015 (NJPS 2015), which comes into force from 1st April 2015 by the Judicial Pension Regulations 2015 ("the Regulations").
- 1.2 The tables in Appendix A should be used to calculate the amount of extra pension ('transferred pension') to be awarded when a member transfers into the NJPS 2015 with a transfer payment.
- 1.3 A cash equivalent may be received by the NJPS 2015 from another pension scheme and used to provide additional benefits for a member in accordance with Regulations 139 to 143.
- 1.4 Regulation 143 (3) provides for a restriction on the maximum amount of transferred pension that can be purchased by a transfer. This test must be made before the transfer is accepted.
- 1.5 If the transfer value includes the member's entitlement to a guaranteed minimum pension (GMP), then GAD should be consulted. A separate calculation to test the sufficiency of the transfer value under regulation 141(6) should be conducted before the transfer is accepted.
- 1.6 The Lord Chancellor has determined that these factors come into effect from the inception of the NJPS 2015 on 1 April 2015.



2 Instructions

- 2.1 The formula for calculating the additional benefit (transferred pension) to be awarded in respect of a transfer value received by the scheme from a pension scheme is set out in paragraph 2.5.
- 2.2 Transferred pension awarded in respect of a transfer value is payable on the same terms as pension accrued as a member of the scheme, from the member's normal pension age (NPA) and includes attaching benefits such as 37.5% partner's pension. We have assumed that any transferred in pension is not affected by the purchase of an EPA option and the transferred in pension retains the original NPA.
- 2.3 The factors should be selected according to the member's age last birthday, NPA and for the revaluation factor the number of 1 Aprils falling between the calculation date and NPA. If a member has a non-integer NPA then more than one factor is required and these factors are interpolated to obtain the actual factor to use (see example in section 3).
- 2.4 To calculate the amount of transferred pension, the amount of the transfer payment is required and also the amount of any accrued pre 88 and post 88 GMP entitlement that is included in respect of the transfer, including revaluation to the calculation date. If the member has GMP to transfer in, please refer the calculation to GAD.
- 2.5 If a member wishes to transfer in, the transferred pension to be awarded to the member in respect of the transfer payment should be calculated as:

$$\text{transferred pension} = \frac{[CETV]}{[F_x^P + \text{spsfrac} \times F_x^S] \times F_y^{\text{Reval}}}$$

where

$CETV$ = the member's incoming transfer value

F_x^P = relevant member's pension factor for a member aged x, taken from the appropriate table of Tables 1 to 4

spsfrac = proportion of spouse's pension awarded to the dependant on the member's death. For most member's this will be 37.5%

F_x^S = relevant partner's pension factor for a member aged x, taken from the appropriate table of Tables 1 to 4

F_y^{Reval} = relevant revaluation factor for a member with y number of 1 Aprils between the calculation date and NPA, taken from Table 5.

- 2.6 The 2015 Scheme Regulations provide for a pension to be payable without reduction for early payment from the higher of age 65 and the member's State Pension Age



- 2.7 The Lord Chancellor has confirmed that State Pension Age for the purpose of calculating transfer credits should be as set out in HM Treasury Directions made in exercise of the powers conferred on them by sections 11(2) and 12(3) of the Public Service Pensions Act 2013¹, and not legislation in force at the time of the transfer. Factors are provided to accommodate the range of pension ages members will have in relation to service on and after 1 April 2015 in accordance with the HM Treasury Directions.
- 2.8 After calculating the amount of transferred pension that the transfer payment is sufficient to purchase, the result should be tested as set out in Regulation 143 (3) to ensure that it does not exceed the maximum amount permitted.

¹ A consolidated version of HM Treasury Directions dated 11 March 2014, including amendments made up to and including 3 March 2015, is found in the following link; SPA assumptions are set out at direction 18.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/411287/HMT_Directions_9_Mar_2015.pdf



3 Example

Example: Female member

- > Sex Female
- > Normal Pension Age (NPA) 67 years 1 month
- > Amount of CETV £50,000
- > Calculation date 15/04/2016
- > Age last birthday at calculation date 38
- > Number of 1 Aprils between calculation date and NPA 28
- > Member's pension factor (F_x^P) 4.158 (interpolated)
- > Partner's pension factor (F_x^S) 1.011 (interpolated)
- > Revaluation factor (F_y^{Reval}) 1.74
- > Spouse's proportion (spsfrac) 0.375
- > Transferred pension =
$$\frac{£50,000}{(4.158 + 0.375 \times 1.011) \times 1.74}$$

= £6333.45 pa

The factors used above were interpolated for non-integer NPA as shown below:

Factor at NPA 67 years 1 month

$$= \left(\frac{11}{12}\right) * \text{Factor at NPA 67} + \left(\frac{1}{12}\right) * \text{Factor at NPA 68}$$

e.g. for the Pension factor (F_x^P);

$$= \left(\frac{11}{12}\right) * 4.183 + \left(\frac{1}{12}\right) * 3.877 = 4.158$$



4 Limitations of this guidance

- 4.1 This note should not be used for any purpose other than as the actuarial guidance required under the regulations cited.
- 4.2 The factors contained in this note are subject to regular review. The Scheme Manager and administrators need to ensure that they are using the latest factors, as relevant, when processing cases.
- 4.3 This note should be considered in its entirety as individual sections, if considered in isolation, may be misleading, and conclusions reached by a review of some sections on their own may be incorrect.
- 4.4 This note only covers the actuarial principles of calculations required under the regulations cited. Any legal advice in this area should be sought from an appropriately qualified person or source.
- 4.5 The Scheme Manager and administrators should satisfy themselves that calculations and benefit awards comply with all legislative requirements including, but not limited to, tax and contracting out requirements.
- 4.6 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 responsible authority. In no circumstances should this guidance take precedence over the Regulations. The Scheme Manager and administrators should ensure that they comply with all relevant Regulations.



Appendix A: Factor tables

List of Tables

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Table 1: TVIN65 - transfers in factors for NPA of 65

Unisex factors		
Age	Member's pension factor	Partner's pension factor
35	4.210	0.914
36	4.414	0.956
37	4.628	1.001
38	4.852	1.047
39	5.087	1.096
40	5.334	1.146
41	5.593	1.199
42	5.864	1.253
43	6.149	1.310
44	6.448	1.369
45	6.762	1.431
46	7.091	1.495
47	7.437	1.561
48	7.799	1.630
49	8.180	1.703
50	8.580	1.778
51	9.000	1.855
52	9.440	1.936
53	9.904	2.019
54	10.391	2.105
55	10.903	2.194
56	11.441	2.285
57	12.007	2.380
58	12.603	2.478
59	13.231	2.578
60	13.893	2.681
61	14.591	2.786
62	15.327	2.894
63	15.944	3.003
64	16.767	3.115
65	17.131	3.190
66	16.684	3.233
67	16.230	3.274
68	15.766	3.314
69	15.295	3.308
70	14.817	3.299



Table 2: TVIN66 - transfers in factors for NPA of 66

Unisex factors		
Age	Member's pension factor	Partner's pension factor
35	3.912	0.899
36	4.102	0.940
37	4.300	0.984
38	4.508	1.029
39	4.726	1.077
40	4.955	1.126
41	5.194	1.178
42	5.446	1.231
43	5.710	1.287
44	5.987	1.345
45	6.278	1.405
46	6.583	1.468
47	6.903	1.533
48	7.239	1.600
49	7.592	1.671
50	7.962	1.744
51	8.351	1.820
52	8.759	1.899
53	9.188	1.980
54	9.640	2.064
55	10.114	2.150
56	10.613	2.240
57	11.137	2.332
58	11.689	2.427
59	12.270	2.524
60	12.883	2.624
61	13.529	2.726
62	14.211	2.831
63	14.932	2.938
64	15.693	3.046
65	16.497	3.158
66	16.684	3.233



Table 3: TVIN67 - transfers in factors for NPA of 67

Unisex factors		
Age	Member's pension factor	Partner's pension factor
35	3.632	0.884
36	3.807	0.924
37	3.990	0.967
38	4.183	1.012
39	4.385	1.058
40	4.597	1.107
41	4.819	1.157
42	5.052	1.210
43	5.296	1.264
44	5.553	1.321
45	5.822	1.380
46	6.104	1.441
47	6.401	1.505
48	6.712	1.571
49	7.038	1.640
50	7.380	1.712
51	7.740	1.786
52	8.118	1.863
53	8.515	1.943
54	8.932	2.024
55	9.371	2.108
56	9.832	2.195
57	10.317	2.285
58	10.828	2.378
59	11.365	2.472
60	11.932	2.569
61	12.530	2.669
62	13.160	2.771
63	13.826	2.874
64	14.530	2.980
65	15.273	3.088
66	16.057	3.200
67	16.230	3.274



Table 4: TVIN68 - transfers in factors for NPA of 68

Unisex factors		
Age	Member's pension factor	Partner's pension factor
35	3.367	0.869
36	3.529	0.909
37	3.699	0.951
38	3.877	0.995
39	4.064	1.040
40	4.260	1.088
41	4.465	1.137
42	4.681	1.189
43	4.907	1.242
44	5.144	1.297
45	5.393	1.355
46	5.654	1.415
47	5.927	1.478
48	6.215	1.543
49	6.516	1.610
50	6.833	1.680
51	7.165	1.753
52	7.514	1.828
53	7.881	1.906
54	8.267	1.985
55	8.672	2.067
56	9.098	2.152
57	9.546	2.240
58	10.017	2.330
59	10.514	2.422
60	11.038	2.516
61	11.589	2.613
62	12.171	2.712
63	12.786	2.812
64	13.436	2.915
65	14.121	3.020
66	14.696	3.128
67	15.459	3.240
68	15.766	3.314



Table 5: TVINREVAL - revaluation factors

Number of 1 Aprils	Factor
0	1.00
1	1.02
2	1.04
3	1.06
4	1.08
5	1.10
6	1.13
7	1.15
8	1.17
9	1.20
10	1.22
11	1.24
12	1.27
13	1.29
14	1.32
15	1.35
16	1.37
17	1.40
18	1.43
19	1.46
20	1.49
21	1.52
22	1.55
23	1.58
24	1.61
25	1.64

Number of 1 Aprils	Factor
26	1.67
27	1.71
28	1.74
29	1.78
30	1.81
31	1.85
32	1.88
33	1.92
34	1.96
35	2.00
36	2.04
37	2.08
38	2.12
39	2.16
40	2.21
41	2.25
42	2.30
43	2.34
44	2.39
45	2.44
46	2.49
47	2.54
48	2.59
49	2.64
50	2.69