Government Actuary's Department

Health and Social Care Pension Scheme

Compulsory early retirement

Factors and guidance

Version 1.0

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Contents

1 Introduction

1.1 This Note is provided for the use of the HSC as administrator of the Health and Social Care Pension Scheme ('HSCPS'). It sets out how to determine the contribution to be paid by employers for enhanced benefits on compulsory early retirement.

1.2 The factors provided in this Note have been prepared in light of our advice to the Department of Health, Social Services and Public Safety ('DHSSPS') dated 27 March 2015 and its instructions following that advice. This guidance is intended to supersede any factors or advice previously issued for the purposes of compulsory early retirement calculations, carried out from 1 April 2015, which rely on input from the Scheme Actuary. We do not expect that advice or factors issued in the past should be used for future cases from 1 April 2015.

1.3 No advice or factors issued for the Health and Social Care Pension Scheme 2015 ("HSCPS 2015") should be used for compulsory early retirement calculations for members with benefits only in the HSCPS.

1.4 Where members have benefits in both the HSCPS and HSCPS 2015 please refer to Section 4.

1.5 The effective date of this guidance is 1 April 2015. The version number for this guidance is 1.0.

1.6 The Regulations to which this document relates, and the corresponding factors provided, are as follows in the table below. Note the 2015 Transitional Regulations[1] (32-34) cover the provisions for transitional members (i.e. members with entitlement to benefit from both the HSCPS and HSCPS 2015).

[1] The Health and Social Care Pension Scheme (Transitional and Consequential Provisions) Regulations (Northern Ireland) 2015 (SR 2015/122).

<table>
<tr><th>Factor Table Number</th><th>Statutory Reference</th></tr>
<tr><td>CER1
pension up to Normal Pension Age (NPA)
NPA 55 1995 section
CER2
enhancement payments after NPA
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NPA 60 1995 section</td><td>SR 1995/95 11 (3) (5)
Contributions by employing authorities [members becoming entitled to benefits under Regulations 14 (Early retirement pension (redundancy etc.)) or 15 (early retirement pension (employer's consent))]</td></tr>
<tr><td>CER7
payments up to NPA
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CER8
early payment of mandatory lump sum
NPA 65 2008 section (Choice Optants)</td><td>SR 2008/256 32 (5)
Contributions by employing authorities: members becoming entitled to pensions under Regulation 55 (early retirement on termination of employment by employing authority)</td></tr>
<tr><td>CER9
employer costs due to deferred PI
NPA 55 1995 section (members with previously deferred benefits)
CER10
employer costs due to deferred PI
NPA 60 1995 section (members with previously deferred benefits)
CER11
immediately increasing pension payments up to NPA
NPA 55 1995 section (members with at least one dependent child)</td><td>SR 1995/95 11 (3) (5)
Contributions by employing authorities [members becoming entitled to benefits under Regulations 14 (Early retirement pension (redundancy etc.)) or 15 (early retirement pension (employer's consent))]</td></tr>
</table>

CER12 • immediately increasing pension payments up to NPA • NPA 60 1995 section (members with at least one dependent child)	

1.7 Service enhancements ceased in 2011 and so the factors provided in CER2 and CER5 are only required for historic cases where an Employing Authority wishes to settle payments made by quarterly billing.

1.8 The assumptions underlying the factors in Appendix B are covered in Appendix A.

Implementation

1.9 As agreed the factors contained in this note should be used with effect from 1 April 2015.

1.10 Factors provided in this note are subject to review following any review of the SCAPE basis (due every 4 years). The factors should also be reconsidered following each actuarial valuation where mortality and other recent experience is reviewed or if other credible and material information comes to light. There may also be other reasons (such as changes in Government stated policy around SPAs) which will trigger a review of factors.

1.11 The remainder of this Note covers the factor tables, guidance on their use and a number of worked examples.

1.12 In any circumstances where the application of this guidance is not clear further input should be sought from GAD.

1.13 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.

2 Compulsory Early Retirement - 1995 section members

2.1 This section refers to employer contributions payable by employing authorities under Regulation SR 1995/95 11(3) and (5), where a pension becomes payable to a member under Regulations SR 1995/95 14 (early retirement on grounds of redundancy) or 15 (early retirement pension (termination of employment by employing authority)).

2.2 The contributions payable by employing authorities where a pension becomes payable to a member under Regulations 14 or 15 are determined by applying the appropriate factor to the accrued benefit entitlement(s) at the date of retirement using the formula below and factors in Appendix B. This determines the cost of paying unreduced benefits on retirement.

2.3 The factors allow for the fact that Pension Increases (PI) are not payable until age 55 and therefore no adjustments are needed at age 55 other than addition of accrued PI.

2.4 Where a member is made redundant before age 55 and some or all of their benefits have an earlier "beginning date" for PI purposes, the factors should be applied to the benefits payable at retirement that is without any allowance for the deferred PI. An additional cost in respect of the deferred PI should be calculated as described in Section 5 of this Note.

2.5 Where a member is made redundant before age 55 and they have at least one dependent child, increases are payable immediately to that part of the pension benefit accrued before 1 January 1993 (female members) or that part of their benefit accrued between 17 May 1990 and 31 December 1992 inclusive (male members). Different factors which allow for PI payable immediately are required for this part of the pension and are included in this Note.

2.6 Section 4 covers transitional members i.e. those with benefit entitlement from both the HSCPS and HSCPS 2015. On redundancy before age 55 only benefits from the 1995 section of the HSCPS are available. No further accrual in the HSCPS 2015 is permitted if HSCPS benefits become payable in these circumstances.

2.7 Worked examples are provided in Section 7 of this Note.

Employer costs on compulsory early retirement for a 1995 section member (NPA 55)

2.8 Cost due to pension

= Costs of basic and enhancement pension payments up to age 55

+ costs of service enhancement pension payments after age 55

Where

- Employer costs of basic and enhancement pension payments up to age 55
  = (Scheme pension + extra pension from service enhancement) x Factor CER1
- Employer costs of service enhancement pension payments after age 55
  = Extra pension from service enhancement x Factor CER2

2.9 Cost due to lump sum

= Costs of early payment of the basic lump sum

+ additional lump sum from service enhancement

Where

- Employer costs of early payment of the basic lump sum
  = Basic lump sum x Factor CER3

Employer costs on compulsory early retirement for a 1995 section member (NPA 60)

2.10 Cost due to pension

= Costs of basic and enhancement pension payments up to age 60

+ costs of service enhancement pension payments after age 60

Where

- Cost of basic and enhancement pension payments up to age 60
  = (Scheme pension + extra pension from service enhancement) x Factor CER4
- Cost of extra membership pension payments after age 60
  = Extra pension from service enhancement x Factor CER5

2.11 Cost due to lump sum

= Costs of early payment of the basic lump sum

+ additional lump sum from service enhancement

Where

- Cost of early payment of the basic lump sum
  = Basic lump sum x Factor CER6

Employer costs on compulsory early retirement for a 1995 section (NPA 55) member under age 55 with at least one dependent child

2.12 Cost due to pension

= Costs of basic and enhancement pension payments up to age 55 on service from 1 January 1993 for female members and service before 17 May 1990 and after 31 December 1992 for male members

+ costs of basic and enhancement pension payments up to age 55 on service before 1 January 1993 for female members and service between 17 May 1990 and 31 December 1992 inclusive for male members

+ costs of service enhancement pension payments after age 55

Where

- Cost of basic and enhancement pension payments up to age 55 on service from 1 January 1993 for female members and service before 17 May 1990 and after 31 December 1992 for male members
  = (applicable scheme pension + extra pension from service enhancement) x Factor CER1

- Cost of basic and enhancement pension payments up to age 55 on service before 1 January 1993 for female members and service between 17 May 1990 and 31 December 1992 inclusive for male members
  = (applicable scheme pension) x Factor CER11

- Cost of extra membership pension payments after age 55
  = Extra pension from service enhancement x Factor CER2

2.13 Cost due to lump sum

= Costs of early payment of the basic lump sum

+ additional lump sum from service enhancement

Where

- Cost of early payment of the basic lump sum
  = Basic lump sum x Factor CER3

Employer costs on compulsory early retirement for a 1995 section (NPA 60) member under age 55 with at least one dependent child

2.14 Cost due to pension

= Costs of basic and enhancement pension payments up to age 60 on service from 1 January 1993 for female members and service before 17 May 1990 and after 31 December 1992 for male members

+ costs of basic and enhancement pension payments up to age 60 on service before 1 January 1993 for female members and service between 17 May 1990 and 31 December 1992 inclusive for male members

+ costs of service enhancement pension payments after age 60

Where

Cost of basic and enhancement pension payments up to age 60 on service from 1 January 1993 for female members and service before 17 May 1990 and after 31 December 1992 for male members
= (applicable scheme pension + extra pension from service enhancement) x Factor CER4

- Cost of basic and enhancement pension payments up to age 60 on service before 1 January 1993 for female members and service between 17 May 1990 and 31 December 1992 inclusive for male members
  = (applicable scheme pension) x Factor CER12
- Cost of extra membership pension payments after age 60
  = Extra pension from service enhancement x Factor CER5

2.15 Cost due to lump sum

= Costs of early payment of the basic lump sum

+ additional lump sum from service enhancement

Where

- Cost of early payment of the basic lump sum
  = Basic lump sum x Factor CER6

2.16 Points to note in using the factors:

> The basic pension/lump sum used in the calculation should include any transferred-in service but exclude any added years (AY) or additional pension (AP)

> Main scheme pension/scheme lump sum refers to the unreduced amounts of benefit which would be payable if no actuarial adjustment is to be applied; and should be consistent with the basic pension/lump sum as above (i.e. exclude any AY or AP)

- Service enhancements are no longer provided and thus should only be used in the formulae above where an Employing Authority is settling payments by quarterly billing.
- The calculation above is for a single contribution payment. See Section 6 of this Note for how to spread this as instalments.
- Where a member has any deferred PI, the costs due to the lump sum should be adjusted. For NPA 55 members this adjustment is the amount calculated in paragraph 5.6 and represents a saving on the costs charged to the employer. For NPA 60 members additional costs are due as calculated in paragraph 5.8.
- The overall calculated cost to the employer due to the lump sum is subject to a minimum of £0
- Factors should be applied to pensions before any allowance for commutation
- Factors should be based on a members age in years and complete months

Eligibility for compulsory early retirement pension

2.17 Compulsory early retirement is not allowed if the pension payable will be less than the member's guaranteed minimum pension (GMP) at GMP payment age (65 for males and 60 for females)[2]. The following test should be applied to check whether a member is eligible for compulsory early retirement.

2.18 The GMP must be covered by the reduced value of the pension after a member has exercised any commutation option (and therefore also after any pension debits due to divorce or Scheme Pays have been applied). It may be therefore that compulsory early retirement is permitted but only if no or a restricted amount of pension is commuted.

2.19 The GMP test is set out below:

Step 1 – eligibility for compulsory early retirement

- Calculate what the member's compulsory early retirement pension (**A**) would be, excluding any Added Years but including any transferred-in service (and before any commutation option):
- Take revalued annual GMP at date of retirement and add 2.75% for each complete year to GMP payment age:

  B = Revalued GMP at retirement date × [1 + 2.75% x (period to date GMP payable)]

[2] See regulation 14A inserted by regulation 8 of The Health and Personal Social Services (Superannuation Scheme, Additional Voluntary Contributions and Injury Benefits), Health and Social Care (Pension Scheme) (Amendment) Regulations (Northern Ireland) 2015 (SR 2015/121)

- Check whether A is greater than B. If yes, the member is eligible for compulsory early retirement at the relevant age. Otherwise, compulsory early retirement at the relevant age is not permitted.

Step 2 – scope for commutation

- Apply the commutation factor to the additional lump sum required and calculate the residual pension:

  C = Total pension **(A)** – (additional lump sum ÷ 12)

- Check whether C is greater than B. If yes, the member is eligible to benefit C, i.e. commutation up to the relevant additional lump sum.

- Otherwise the member is only permitted to exchange a smaller proportion of pension for a lump sum of up to 12 x (A - B), with corresponding reduction in pension of (A - B).

3 Compulsory Early Retirement - 2008 section members

3.1 This Section refers to employer contributions payable by employing authorities under Regulation SR 2008/256 32, where a pension becomes payable to a member under Regulations SR 2008/256 55 (early retirement on termination of employment by employing authority).

3.2 The contributions payable by employing authorities where a pension becomes payable to a member under Regulations 55 and 2.D.11A are determined by applying the appropriate factor to the accrued benefit entitlement(s) at the date of retirement using the formula below and factors in Appendix B. This determines the cost of paying unreduced benefits on retirement.

3.3 Section 4 covers transitional members i.e. those with benefit entitlement from both the HSCPS and HSCPS 2015. Unlike 1995 section benefits further accrual in the HSCPS 2015 is permitted in most cases if 2008 section HSCPS benefits become payable under the redundancy provisions.

3.4 Worked examples are provided in Section 7 of this Note.

Employer costs on compulsory early retirement for a 2008 section member (NPA 65)

Not Choice optant:

3.5 Cost of basic pension payments up to age 65

= Main scheme pension x Factor CER7

Choice optant:

3.6 Total cost = The cost of unreduced pension
+ the cost of early payment of lump sum

where:

- The cost of unreduced pension
  = Main scheme pension (after allowance for commutation of mandatory lump sum) x Factor CER7

- The cost of early payment of lump sum = Mandatory lump sum x Factor CER8

3.7 Points to note in using the factors:

> The basic pension/lump sum used in the calculation should include any transferred-in service but exclude any additional pension (AP)

> Main scheme pension/mandatory lump sum refers to the unreduced amounts of benefit which would be payable if no actuarial adjustment is to be applied. And should be consistent with the basic pension/lump sum as above (i.e. exclude any AP)

> The calculation above is for a single contribution payment. See Section 6 of this Note for how to spread this as instalments

> Factors should be applied to pensions before any allowance for commutation except for Choice optants

> This approach is based on GAD's understanding that the mandatory lump sum is not reduced for payment before age 60 on compulsory early retirement

> Factors should be based on a members age in years and complete months

Eligibility for compulsory early retirement pension

3.8 Compulsory early retirement is not allowed if the pension payable will be less than the member's guaranteed minimum pension (GMP) at GMP payment age (65 for males and 60 for females)[3]. The following test should be applied to check whether a member is eligible for compulsory early retirement.

3.9 The GMP must be covered by the reduced value of the pension after a member has exercised any commutation option (and therefore also after any pension debits due to divorce or Scheme Pays have been applied). It may be therefore that compulsory early retirement is permitted but only if no or a restricted amount of pension is commuted.

3.10 The GMP test is set out below:

Step 1 – eligibility for compulsory early retirement

- Calculate what the member's compulsory early retirement pension (**A**) would be, excluding any Added Years but including any transferred-in service (and before any commutation option):

- Take revalued annual GMP at date of retirement and add 2.75% for each complete year to GMP payment age:

  B = Revalued GMP at retirement date × [1 + 2.75% x (period to date GMP payable)]

  - Check whether A is greater than B. If yes, the member is eligible for compulsory early retirement at the relevant age. Otherwise, compulsory early retirement at the relevant age is not permitted.

[3] See regulation 55(3A) inserted by regulation 26 of The Health and Personal Social Services (Superannuation Scheme, Additional Voluntary Contributions and Injury Benefits), Health and Social Care (Pension Scheme) (Amendment) Regulations (Northern Ireland) 2015 (SR 2015/121)

Step 2 – scope for commutation

- Apply the commutation factor to the lump sum required and calculate the residual pension:

  C = Total pension **(A)** – (additional lump sum ÷ 12)

- Check whether C is greater than B. If yes, the member is eligible to benefit C, i.e. commutation up to the relevant lump sum.

- Otherwise the member is only permitted to exchange a smaller proportion of pension for a lump sum of up to 12 x (A - B), with corresponding reduction in pension of (A - B).

4 Members with benefits in both the HSCPS 2015 and the HSCPS

4.1 For transitional members i.e. those with benefit entitlement from both the HSCPS and HSCPS 2015, on redundancy before age 55 only benefits from the 1995 section of the HSCPS are available.

4.2 No further accrual in the HSCPS 2015 is permitted if 1995 section HSCPS benefits become payable in these circumstances. This is covered in the Transitional Regulations.

4.3 Where members have benefits in both schemes, if employers are to meet the costs of unreduced benefits on compulsory early retirement, costs are determined as the sum of the costs calculated separately for both schemes as covered by this guidance and the equivalent guidance for the HSCPS 2015.

5 Adjustments required where members have deferred PI

5.1 In certain situations members may have some or all of their benefits with an earlier "beginning date" for PI purposes than the actual date of retirement. For example, this may occur due to periods of service with pay protection.

5.2 Where members retire in these circumstances before age 55 an adjustment needs to be calculated in respect of the deferred pension increases which cannot be paid until age 55 under the Pensions (Increase) Acts.

5.3 The PI adjustment should be calculated by applying the relevant factor in Appendix B to the amount of deferred PI as at the date of retirement. For NPA 55 members this should be deducted from the costs calculated as described in Section 2 of this Note and for NPA 60 members it should be added to the costs calculated as described in Section 2 of this Note.

5.4 In some cases the full deferred PI due may not be known at the date of calculation (as some PI may be due when tables are published for the following year). For practical reasons only the deferred PI up to the April prior to the date of calculation should be included within these calculations, i.e. any part year PI is not to be included.

Employer costs for deferred PI on compulsory early retirement for a 1995 section member (NPA 55)

5.5 Adjustment due to deferred PI

= Amount of deferred PI on lump sum x Factor CER9

5.6 Points to note in using factors:

> This calculation produces a saving which should be used to adjust the additional costs for the early payment of the lump sum ignoring deferred PI calculated as described in paragraph 2.8 and 2.9 of this Note. (This is different from the deferred PI adjustment for NPA 60 members, which represents an increase in the charge to employers).

> Factor CER9 should be based on a members age in years and complete months

Employer costs for deferred PI on compulsory early retirement for a 1995 section member (NPA 60)

5.7 Additional cost due to deferred PI

= Cost of deferred PI on pension payments from age 55 up to age 60

+ Cost of deferred PI on lump sum at age 55

Where**:**

- Cost of deferred PI pension payments from age 55 up to age 60
= Amount of deferred PI on pension at date of retirement x Pension Factor CER10

- Cost of deferred PI on lump sum at age 55
= Amount of deferred PI on lump sum x Lump Sum Factor CER10

5.8 Points to note in using factors:

> The calculation above is for a single contribution payment. See Section 6 of this Note for how to spread this as instalments

> This cost is in addition to the normal costs calculated as described in Section 2 of this Note.

> The additional costs calculated above should therefore be added to the costs calculated in paragraphs 2.10 and 2.11 of this Note. This is different from the deferred PI adjustment for NPA 55 members, which represents a reduction in the charge to employers.

> Factor CER10 should be based on a members age in years and complete months

6 Payment options: spreading costs or capitalisation after redundancy

6.1 Regulations 11(5) and 11(7) of the 1995 regulations and Regulation 32(4) of the 2008 regulations allow for employer costs to be paid as a single payment made within one month of the date on which the pensions became payable or, if the DHSSPS agrees, by not more than 5 equal annual instalments, the first of which is to be paid within one month of the date on which the pensions became payable and the others by 31 October in each of the following 4 financial/scheme years.

Spreading costs over five annual instalments

6.2 The formulae in the other Sections of this Note and the factors provided in the Appendix to this Note are to calculate the single lump sum payment due. However, the single lump sum amount can be converted to 5 annual instalments using the following factor:

Each annual instalment = Total single capitalised employer cost x 0.220

Capitalising quarterly payments

6.3 In certain cases, the Employing Authority may have chosen to make ongoing quarterly payments to cover the cost of a member's service enhancement on redundancy. This only applies to members of the 1995 section.

6.4 Regulation 11(6) of the 1995 regulations allow an Employing Authority making quarterly contributions to capitalise its future payments into a single payment (or up to 5 annual payments) at any time whilst the redundancy benefits are in payment. Factors are provided in table CER2 and CER5 for this purpose but are only applicable for redundancies that occurred before October 2011.

6.5 The member's pension due to any enhancement at the date of capitalisation should be multiplied by the relevant factor for their age at capitalisation to calculate the single payment payable. Paragraph 6.2 above can be used to split this payment into 5 annual payments if required.

6.6 If an Employing Authority wishes to capitalise costs after the point of redundancy where the member retired after October 2011, please request factors from GAD.

7 Examples

7.1 This Section sets out a number of worked examples to help with the use of the factors. The examples covered are as follows:

A. Compulsory early retirement of a 1995 section member

B. Compulsory early retirement of a 2008 section member

C. Compulsory early retirement of a Choice Optant

D. Compulsory early retirement of a 1995 section member with pay protection for earlier periods of service (NPA 60)

E. Compulsory early retirement of a 1995 section female member under age 55 with at least one dependent child and service accrued before 1 January 1993 (NPA 55)

7.2 These examples are only meant to illustrate the use of the factors and may not represent actual possible scenarios.

A. <u>Compulsory early retirement of a 1995 section member</u>

Individual Data

Section	1995
Normal pension age	60
Date of birth	1 June 1963
Date of redundancy	1 July 2015
Pensionable service	20 years
Age at redundancy	52 years and 1 month
Main scheme pension at retirement	£5,000 pa
Lump sum at retirement	£15,000

Factors at age 52 years and 1 month

CER4	6.915
CER6	0.206

Employer cost for compulsory early retirement

a. Cost of unreduced pension
= Main scheme pension x Factor CER4
= £5,000.00 x 6.915
= £34,575

b. Cost of early payment of lump sum
= Scheme lump sum x Factor CER6
= £15,000.00 x 0.206
= £3,090

Total cost = £34,575 + £3,090 = **<u>£37,665</u>**

B. Compulsory early retirement of a 2008 section member

Individual Data

Section	2008
Normal pension age	65
Date of birth	1 April 1955
Date of redundancy	1 July 2015
Pensionable service	3 years
Age at redundancy	60 years and 3 months
Pre commutation pension at retirement	£2,000 pa

Factors at age 60 years and 3 months

CER7	4.360

Employer cost for compulsory early retirement

a. Cost of pre-commutation pension payments up to age 65
   = Main scheme pre commutation pension x Factor CER7
   = £2,000 x 4.360
   = £8,720

Total cost = **£8,720**

C. Compulsory early retirement of a Choice Optant

Individual Data

Section	2008 (Choice Optant)
Normal pension age	65
Date of birth	1 April 1961
Date of redundancy	1 July 2018
Pensionable service	22 years and 6 months
Age at redundancy	57 years and 3 months
Main scheme pension at retirement	£9,000 pa
Mandatory lump sum (MLS) at retirement	£11,025.00
Post commutation (for MLS) pension	£8,081.25 pa

Factors at age 57 years and 3 months

CER7	6.827
CER8	0.218

Employer cost for compulsory early retirement

a. Cost of basic pension payments up to age 65
= Main scheme post commutation (for MLS) pension x Factor CER7
= £8,081.25 x 6.827
= £55,170.69

b. Cost of the early payment of the mandatory lump sum
= Mandatory lump sum x Factor CER8
= £11,025.00 x 0.218
= £2,403.45

Total cost = £55,170.69 + £2,403.45 = **£57,574**

D. Compulsory early retirement of a 1995 section member with pay protection for earlier periods of service (NPA 60)

Individual Data

Section	1995
Normal pension age	60
Date of birth	1 June 1964
Date of redundancy (DOR)	1 July 2015
Age at redundancy	51 years 1 month
Years leaving early	8 years 11 months
Total pensionable service	20 years
Pensionable service with pay protection	4 years
Pension at retirement for service without pay protection	£5,000 pa
Pension at retirement for service with pay protection	£794 pa
Lump Sum at retirement for service without pay protection	£15,000
Lump Sum at retirement for service with pay protection	£2,382
PI factor for period from date of pay protection to retirement	1.10

Factors at age 51 years and 1 month

CER4	7.627
CER6	0.229
CER10 (Pension factor)	4.105
CER10 (Lump sum factor)	0.056

Employer cost for compulsory early retirement

a) Costs of basic (and extra membership) pension payments up to age 60
= (Scheme pension for service without pay protection + pension for service with pay protection (without deferred PI)) x Factor CER4
= (£5,000 + £794) x 7.627
= £44,190.84

b) Costs of the early payment of the basic lump sum
= (Lump sum for service without pay protection + lump sum for service with pay protection (without deferred PI)) x Factor CER6
= (£15,000 + £2,382) x 0.229
= £3,980.48

c) Costs of deferred PI on pension after age 55
= Deferred PI due on pension as at date of retirement x Factor CER10
= (£794 x (1.10 – 1)) x 4.105
= £325.94

d) Costs of deferred PI due on lump sum at age 55
= Deferred PI due on lump sum x Factor CER10
= £2,382 x (1.10 – 1)) x 0.056
= £13.34

Total cost = £44,190.84 + £3,980.48 + £325.94 + £13.34 = **£48,511**

E. Compulsory early retirement of a 1995 section female member under age 55 with at least one dependant child and service accrued before 1 January 1993 (NPA 55)

Individual Data

Section	1995
Normal pension age	55
Date of birth	1 June 1964
Date of redundancy	1 July 2015
Age at redundancy	51 years and 1 months
Service accrued before 1 January 1993	3 years
Service accrued from 1 January 1993	19 years
Pension accrued before 1 January 1993	£750 pa
Pension accrued from 1 January 1993	£4,750 pa
Total basic Lump Sum at retirement	£16,500

Factors at age 51 years and 1 months

CER1	3.521
CER3	0.108
CER11	3.655

Employer costs for compulsory early retirement

a) Costs of pension payments up to age 55 on service from 1 January 1993
= Pension accrued from 1 January 1993 x Factor CER1
= £4,750 x 3.521
= £16,725

b) Costs of pension payments up to age 55 on service before 1 January 1993
= (Pension accrued before 1 January 1993) x Factor CER11
= £750 x 3.655
= £2,741

c) Cost due to lump sum
= Lump Sum x CER3
= £16,500 x 0.108
= £1,782

Total costs due to pension payments = £19,466
Total costs due to lump sum payments = £1,782

Total cost = £19,466 + £1,782 = **£21,248**

Appendix A: Assumptions underlying factors

Financial assumptions

Nominal discount rate	5.06% pa
Real discount rate (in excess of CPI)	3.00% pa

Mortality assumptions

Base mortality tables	S1NMA and S1NFA
Base table adjustment	Adjustments applied so that 20% fewer deaths at each age are assumed for male members and 15% fewer deaths at each age are assumed for female members than implied by the standard tables. (As per 2012 valuation.)
Future mortality improvement	Based on ONS principal UK population projections 2012
Year of Use	2016

Other assumptions

Proportion of male members for unisex factors	33.3%
Allowance for commutation	Nil except for mandatory lump sum cases
Age difference between member and partner	Males assumed to be 3 years older than females
Proportions partnered	As assumed for the 2012 valuation Sample rates:

Age	Males	Females
50	0.76	0.54
60	0.76	0.54
70	0.74	0.46
80	0.61	0.23
90	0.34	0.07

Appendix B: Factors to calculate employer costs on compulsory early retirement

TABLE CER1

HSC PENSION SCHEME - MEMBERS OF 1995 SECTION

Employer cost for a member with NPA 55 leaving on compulsory early retirement for pension payments up to age 55

Age: complete months	0	1	2	3	4	5	6	7	8	9	10	11
	PENSION FACTORS											
Complete Years												
50	4.385	4.319	4.253	4.187	4.121	4.055	3.989	3.923	3.857	3.791	3.725	3.659
51	3.591	3.521	3.452	3.382	3.313	3.243	3.174	3.105	3.035	2.966	2.896	2.827
52	2.755	2.682	2.609	2.536	2.463	2.390	2.317	2.243	2.170	2.097	2.024	1.951
53	1.876	1.799	1.722	1.645	1.568	1.491	1.414	1.337	1.260	1.183	1.106	1.029
54	0.949	0.867	0.784	0.701	0.619	0.536	0.454	0.371	0.289	0.206	0.124	0.041

Notes:

(1) Amount payable is determined by multiplying the member's total pension entitlement (i.e. including service enhancement) at date of retirement by the factor shown for age at retirement.

(2) Pension amounts should be multiplied by factor above before any lump sum commutation option is exercised.

(3) Where members have any deferred PI at their date of redundancy these factors should be applied to benefits excluding any deferred PI. No adjustment is required in respect of the deferred PI.

TABLE CER2

HSC PENSION SCHEME - MEMBERS OF 1995 SECTION

Employer cost for a member with NPA 55 leaving on compulsory early retirement for enhancement payments after age 55

AGE: complete months	0	1	2	3	4	5	6	7	8	9	10	11
	PENSION FACTORS											
Complete Years:												
50	19.345	19.395	19.444	19.494	19.543	19.592	19.642	19.691	19.741	19.790	19.839	19.889
51	19.939	19.990	20.041	20.092	20.143	20.194	20.245	20.296	20.347	20.398	20.450	20.501
52	20.552	20.605	20.658	20.711	20.764	20.816	20.869	20.922	20.975	21.028	21.080	21.133
53	21.187	21.241	21.296	21.351	21.405	21.460	21.514	21.569	21.624	21.678	21.733	21.787
54	21.843	21.899	21.956	22.012	22.069	22.125	22.182	22.238	22.295	22.351	22.408	22.464
55	22.480	22.453	22.427	22.401	22.375	22.349	22.323	22.297	22.270	22.244	22.218	22.192
56	22.166	22.139	22.112	22.085	22.058	22.032	22.005	21.978	21.951	21.925	21.898	21.871
57	21.844	21.816	21.789	21.762	21.734	21.707	21.679	21.652	21.624	21.597	21.569	21.542
58	21.514	21.486	21.458	21.430	21.402	21.374	21.345	21.317	21.289	21.261	21.233	21.205
59	21.176	21.147	21.119	21.090	21.061	21.032	21.003	20.974	20.946	20.917	20.888	20.859
60	20.830	20.800	20.770	20.740	20.710	20.680	20.650	20.620	20.590	20.560	20.530	20.500
61	20.469	20.438	20.408	20.377	20.346	20.316	20.285	20.254	20.223	20.193	20.162	20.131
62	20.100	20.069	20.037	20.006	19.974	19.943	19.912	19.880	19.849	19.817	19.786	19.754
63	19.723	19.691	19.659	19.626	19.594	19.562	19.530	19.498	19.466	19.434	19.402	19.370
64	19.337	19.304	19.272	19.239	19.206	19.173	19.141	19.108	19.075	19.042	19.010	18.977
65	18.944	18.910	18.877	18.844	18.810	18.777	18.743	18.710	18.676	18.643	18.610	18.576
66	18.543	18.509	18.474	18.440	18.406	18.372	18.338	18.304	18.270	18.236	18.202	18.168
67	18.134	18.099	18.065	18.030	17.995	17.961	17.926	17.891	17.857	17.822	17.787	17.753
68	17.718	17.683	17.647	17.612	17.577	17.542	17.507	17.472	17.436	17.401	17.366	17.331
69	17.295	17.260	17.224	17.188	17.153	17.117	17.081	17.045	17.010	16.974	16.938	16.902
70	16.866	16.828	16.791	16.753	16.715	16.678	16.640	16.603	16.565	16.527	16.490	16.452
71	16.414	16.376	16.338	16.300	16.262	16.224	16.186	16.147	16.109	16.071	16.033	15.995

72	15.957	15.918	15.879	15.841	15.802	15.764	15.725	15.687	15.648	15.610	15.571	15.532
73	15.494	15.455	15.416	15.377	15.338	15.299	15.260	15.221	15.182	15.143	15.104	15.066
74	15.026	14.987	14.948	14.909	14.870	14.830	14.791	14.752	14.713	14.674	14.634	14.595
75	14.556	14.517	14.477	14.438	14.399	14.359	14.320	14.280	14.241	14.202	14.162	14.123
76	14.084	14.044	14.005	13.965	13.926	13.887	13.847	13.808	13.768	13.729	13.690	13.650
77	13.611	13.571	13.532	13.493	13.453	13.414	13.375	13.335	13.296	13.257	13.217	13.178
78	13.139	13.100	13.060	13.021	12.982	12.943	12.904	12.865	12.826	12.786	12.747	12.708
79	12.669	12.630	12.591	12.553	12.514	12.475	12.436	12.397	12.358	12.319	12.281	12.242
80	12.203	12.164	12.125	12.086	12.047	12.009	11.970	11.931	11.892	11.853	11.814	11.775
81	11.737	11.698	11.660	11.622	11.583	11.545	11.507	11.468	11.430	11.392	11.353	11.315
82	11.277	11.239	11.202	11.164	11.126	11.089	11.051	11.013	10.976	10.938	10.900	10.863
83	10.825	10.788	10.751	10.714	10.677	10.640	10.603	10.566	10.529	10.492	10.455	10.418
84	10.382	10.346	10.310	10.273	10.237	10.201	10.165	10.129	10.093	10.057	10.020	9.984
85	9.949	9.913	9.878	9.843	9.808	9.773	9.738	9.702	9.667	9.632	9.597	9.562
86	9.527	9.493	9.459	9.425	9.391	9.357	9.323	9.288	9.254	9.220	9.186	9.152
87	9.119	9.086	9.053	9.020	8.987	8.954	8.921	8.888	8.855	8.822	8.789	8.756
88	8.724	8.693	8.661	8.630	8.598	8.567	8.535	8.504	8.472	8.441	8.409	8.378
89	8.347	8.317	8.287	8.257	8.227	8.197	8.167	8.137	8.107	8.077	8.047	8.017
90	7.988	7.962	7.935	7.908	7.882	7.855	7.829	7.802	7.775	7.749	7.722	7.695
91	7.669	7.644	7.619	7.594	7.568	7.543	7.518	7.493	7.467	7.442	7.417	7.391
92	7.367	7.343	7.320	7.296	7.272	7.248	7.225	7.201	7.177	7.153	7.130	7.106
93	7.083	7.061	7.039	7.016	6.994	6.972	6.950	6.927	6.905	6.883	6.861	6.838
94	6.817	6.796	6.776	6.755	6.734	6.713	6.693	6.672	6.651	6.631	6.610	6.589
95	6.569	6.550	6.531	6.512	6.493	6.473	6.454	6.435	6.416	6.397	6.378	6.359
96	6.340	6.323	6.305	6.288	6.271	6.253	6.236	6.218	6.201	6.183	6.166	6.149
97	6.132	6.116	6.100	6.085	6.069	6.053	6.037	6.021	6.006	5.990	5.974	5.958
98	5.943	5.929	5.915	5.900	5.886	5.872	5.858	5.844	5.829	5.815	5.801	5.787
99	5.773	5.761	5.748	5.735	5.723	5.710	5.698	5.685	5.672	5.660	5.647	5.634
100	5.622	5.611	5.600	5.589	5.578	5.567	5.555	5.544	5.533	5.522	5.511	5.500

Notes:

(1) For capitalisation of costs on redundancy, the amount payable due to payments after NRA 55 is determined by multiplying the enhancement element only of the member's pension at date of retirement, by the factor shown for age at retirement.

(2) Pension amounts should be multiplied by factor above before any lump sum commutation option is exercised

(3) For capitalisation of costs after redundancy, the amount payable is determined by multiplying the enhancement element only of the member's pension at the date of capitalisation, by the factor shown for the age at this date.

(4) These factors are only suitable for the capitalisation of costs after payment of benefits has commenced where redundancies occurred prior to October 2011.

TABLE CER3

HSC PENSION SCHEME - MEMBERS OF 1995 SECTION

Employer cost for a member with NPA 55 leaving on compulsory early retirement for early payment of lump sum

Period to NPA: months	0	1	2	3	4	5	6	7	8	9	10	11
LUMP SUM FACTORS												
Years												
50	0.136	0.134	0.132	0.130	0.127	0.125	0.123	0.121	0.119	0.117	0.114	0.112
51	0.110	0.108	0.106	0.104	0.101	0.099	0.097	0.095	0.092	0.090	0.088	0.086
52	0.084	0.081	0.079	0.077	0.074	0.072	0.070	0.068	0.065	0.063	0.061	0.058
53	0.056	0.054	0.051	0.049	0.047	0.044	0.042	0.040	0.037	0.035	0.033	0.030
54	0.028	0.025	0.023	0.021	0.018	0.016	0.013	0.011	0.008	0.006	0.004	0.001

Notes:

(1) See guidance for application of factor.

(2) Period to retirement should be rounded up to the higher month.

(3) Where members have any deferred PI at their date of redundancy these factors should be applied to benefits excluding any deferred PI. A saving or cost should then be calculated using table CER9. The overall cost to the employer allowing for the adjustment for deferred PI should be greater than or equal to £0.

TABLE CER4

HSC PENSION SCHEME - MEMBERS OF 1995 SECTION

Employer cost for a member with NPA 60 leaving on compulsory early retirement for pension payments up to age 60

Age: complete months	0	1	2	3	4	5	6	7	8	9	10	11
PENSION FACTORS												
Complete years:												
50	8.356	8.300	8.245	8.189	8.133	8.077	8.022	7.966	7.910	7.854	7.799	7.743
51	7.685	7.627	7.568	7.509	7.450	7.391	7.332	7.273	7.215	7.156	7.097	7.038
52	6.977	6.915	6.853	6.791	6.729	6.667	6.604	6.542	6.480	6.418	6.356	6.294
53	6.230	6.164	6.098	6.033	5.967	5.902	5.836	5.770	5.705	5.639	5.573	5.508
54	5.439	5.369	5.298	5.227	5.156	5.086	5.015	4.944	4.873	4.802	4.732	4.661
55	4.589	4.517	4.445	4.372	4.300	4.227	4.155	4.083	4.010	3.938	3.865	3.793
56	3.719	3.645	3.570	3.495	3.421	3.346	3.271	3.197	3.122	3.047	2.973	2.898
57	2.822	2.745	2.668	2.591	2.514	2.437	2.360	2.283	2.206	2.129	2.052	1.975
58	1.897	1.817	1.738	1.659	1.579	1.500	1.420	1.341	1.261	1.182	1.103	1.023
59	0.942	0.860	0.779	0.697	0.615	0.533	0.451	0.369	0.287	0.205	0.123	0.041

Notes:
(1) Amount payable is determined by multiplying the member's total pension entitlement (i.e. including service enhancement) at date of retirement by the factor shown for age at retirement.
(2) Pension amounts should be multiplied by factor above before any lump sum commutation option is exercised.
(3) Where members have any deferred PI at their date of redundancy these factors should be applied to benefits excluding any deferred PI. An additional cost in respect of the deferred PI should then be calculated using table CER10.

TABLE CER5

HSC PENSION SCHEME - MEMBERS OF 1995 SECTION

Employer cost for a member with NPA 60 leaving on compulsory early retirement for enhancement payments after age 60

AGE: complete months	0	1	2	3	4	5	6	7	8	9	10	11
PENSION FACTORS												
Complete Years:												
50	15.374	15.413	15.452	15.491	15.530	15.570	15.609	15.648	15.687	15.726	15.765	15.805
51	15.844	15.885	15.925	15.966	16.006	16.047	16.087	16.127	16.168	16.208	16.249	16.289
52	16.330	16.372	16.414	16.456	16.498	16.540	16.581	16.623	16.665	16.707	16.749	16.790
53	16.833	16.876	16.919	16.963	17.006	17.049	17.092	17.136	17.179	17.222	17.265	17.309
54	17.353	17.397	17.442	17.487	17.532	17.576	17.621	17.666	17.710	17.755	17.800	17.845
55	17.890	17.936	17.983	18.029	18.075	18.122	18.168	18.214	18.260	18.307	18.353	18.399
56	18.446	18.494	18.542	18.590	18.638	18.686	18.734	18.781	18.829	18.877	18.925	18.973
57	19.022	19.071	19.121	19.170	19.220	19.270	19.319	19.369	19.418	19.468	19.517	19.567
58	19.617	19.669	19.720	19.771	19.823	19.874	19.925	19.976	20.028	20.079	20.130	20.182
59	20.234	20.287	20.340	20.393	20.446	20.499	20.552	20.606	20.659	20.712	20.765	20.818
60	20.830	20.800	20.770	20.740	20.710	20.680	20.650	20.620	20.590	20.560	20.530	20.500
61	20.469	20.438	20.408	20.377	20.346	20.316	20.285	20.254	20.223	20.193	20.162	20.131
62	20.100	20.069	20.037	20.006	19.974	19.943	19.912	19.880	19.849	19.817	19.786	19.754
63	19.723	19.691	19.659	19.626	19.594	19.562	19.530	19.498	19.466	19.434	19.402	19.370
64	19.337	19.304	19.272	19.239	19.206	19.173	19.141	19.108	19.075	19.042	19.010	18.977
65	18.944	18.910	18.877	18.844	18.810	18.777	18.743	18.710	18.676	18.643	18.610	18.576
66	18.543	18.509	18.474	18.440	18.406	18.372	18.338	18.304	18.270	18.236	18.202	18.168
67	18.134	18.099	18.065	18.030	17.995	17.961	17.926	17.891	17.857	17.822	17.787	17.753
68	17.718	17.683	17.647	17.612	17.577	17.542	17.507	17.472	17.436	17.401	17.366	17.331
69	17.295	17.260	17.224	17.188	17.153	17.117	17.081	17.045	17.010	16.974	16.938	16.902
70	16.866	16.828	16.791	16.753	16.715	16.678	16.640	16.603	16.565	16.527	16.490	16.452

71	16.414	16.376	16.338	16.300	16.262	16.224	16.186	16.147	16.109	16.071	16.033	15.995
72	15.957	15.918	15.879	15.841	15.802	15.764	15.725	15.687	15.648	15.610	15.571	15.532
73	15.494	15.455	15.416	15.377	15.338	15.299	15.260	15.221	15.182	15.143	15.104	15.066
74	15.026	14.987	14.948	14.909	14.870	14.830	14.791	14.752	14.713	14.674	14.634	14.595
75	14.556	14.517	14.477	14.438	14.399	14.359	14.320	14.280	14.241	14.202	14.162	14.123
76	14.084	14.044	14.005	13.965	13.926	13.887	13.847	13.808	13.768	13.729	13.690	13.650
77	13.611	13.571	13.532	13.493	13.453	13.414	13.375	13.335	13.296	13.257	13.217	13.178
78	13.139	13.100	13.060	13.021	12.982	12.943	12.904	12.865	12.826	12.786	12.747	12.708
79	12.669	12.630	12.591	12.553	12.514	12.475	12.436	12.397	12.358	12.319	12.281	12.242
80	12.203	12.164	12.125	12.086	12.047	12.009	11.970	11.931	11.892	11.853	11.814	11.775
81	11.737	11.698	11.660	11.622	11.583	11.545	11.507	11.468	11.430	11.392	11.353	11.315
82	11.277	11.239	11.202	11.164	11.126	11.089	11.051	11.013	10.976	10.938	10.900	10.863
83	10.825	10.788	10.751	10.714	10.677	10.640	10.603	10.566	10.529	10.492	10.455	10.418
84	10.382	10.346	10.310	10.273	10.237	10.201	10.165	10.129	10.093	10.057	10.020	9.984
85	9.949	9.913	9.878	9.843	9.808	9.773	9.738	9.702	9.667	9.632	9.597	9.562
86	9.527	9.493	9.459	9.425	9.391	9.357	9.323	9.288	9.254	9.220	9.186	9.152
87	9.119	9.086	9.053	9.020	8.987	8.954	8.921	8.888	8.855	8.822	8.789	8.756
88	8.724	8.693	8.661	8.630	8.598	8.567	8.535	8.504	8.472	8.441	8.409	8.378
89	8.347	8.317	8.287	8.257	8.227	8.197	8.167	8.137	8.107	8.077	8.047	8.017
90	7.988	7.962	7.935	7.908	7.882	7.855	7.829	7.802	7.775	7.749	7.722	7.695
91	7.669	7.644	7.619	7.594	7.568	7.543	7.518	7.493	7.467	7.442	7.417	7.391
92	7.367	7.343	7.320	7.296	7.272	7.248	7.225	7.201	7.177	7.153	7.130	7.106
93	7.083	7.061	7.039	7.016	6.994	6.972	6.950	6.927	6.905	6.883	6.861	6.838
94	6.817	6.796	6.776	6.755	6.734	6.713	6.693	6.672	6.651	6.631	6.610	6.589
95	6.569	6.550	6.531	6.512	6.493	6.473	6.454	6.435	6.416	6.397	6.378	6.359
96	6.340	6.323	6.305	6.288	6.271	6.253	6.236	6.218	6.201	6.183	6.166	6.149
97	6.132	6.116	6.100	6.085	6.069	6.053	6.037	6.021	6.006	5.990	5.974	5.958
98	5.943	5.929	5.915	5.900	5.886	5.872	5.858	5.844	5.829	5.815	5.801	5.787
99	5.773	5.761	5.748	5.735	5.723	5.710	5.698	5.685	5.672	5.660	5.647	5.634
100	5.622	5.611	5.600	5.589	5.578	5.567	5.555	5.544	5.533	5.522	5.511	5.500

Notes:

(1) For capitalisation of costs on redundancy, the amount payable due to payments after NRA 60 is determined by multiplying the enhancement element only of the member's pension at date of retirement, by the factor shown for age at retirement.

(2) Pension amounts should be multiplied by factor above before any lump sum commutation option is exercised

(3) For capitalisation of costs after redundancy, the amount payable is determined by multiplying the enhancement element only of the member's pension at the date of capitalisation, by the factor shown for the age at this date.

(4) These factors are only suitable for the capitalisation of costs after payment of benefits has commenced where redundancies occurred prior to October 2011.

TABLE CER6

HSC PENSION SCHEME - MEMBERS OF 1995 SECTION

Employer cost for a member with NPA 60 leaving on compulsory early retirement for early payment of lump sum

AGE: complete months	0	1	2	3	4	5	6	7	8	9	10	11
LUMP SUM FACTORS												
Complete Years:												
50	0.253	0.252	0.250	0.248	0.246	0.244	0.242	0.241	0.239	0.237	0.235	0.233
51	0.231	0.229	0.227	0.226	0.224	0.222	0.220	0.218	0.216	0.214	0.212	0.210
52	0.208	0.206	0.205	0.203	0.201	0.199	0.197	0.195	0.193	0.191	0.189	0.187
53	0.185	0.183	0.181	0.179	0.177	0.175	0.173	0.171	0.169	0.167	0.165	0.163
54	0.161	0.159	0.157	0.154	0.152	0.150	0.148	0.146	0.144	0.142	0.140	0.138
55	0.136	0.134	0.131	0.129	0.127	0.125	0.123	0.121	0.119	0.116	0.114	0.112
56	0.110	0.108	0.106	0.103	0.101	0.099	0.097	0.095	0.092	0.090	0.088	0.086
57	0.083	0.081	0.079	0.077	0.074	0.072	0.070	0.068	0.065	0.063	0.061	0.058
58	0.056	0.054	0.051	0.049	0.047	0.044	0.042	0.040	0.037	0.035	0.033	0.030
59	0.028	0.025	0.023	0.021	0.018	0.016	0.013	0.011	0.008	0.006	0.004	0.001

Notes:
(1) Amount payable is determined by multiplying the basic lump sum entitlement at date of retirement, by the factor shown for age at retirement.
(2) Any extra element of lump sum in respect of service enhancement must then be added to this amount.
(3) Where members have any deferred PI and are under age 55 at their date of redundancy these factors should be applied to benefits excluding any deferred PI. An additional cost in respect of the deferred PI should then be calculated using table CER10.

TABLE CER7

HSC PENSION SCHEME - MEMBERS OF 2008 SECTION

Employer cost for a member with NPA 65 leaving on compulsory early retirement for pension payments up to age 65

AGE: complete months	0	1	2	3	4	5	6	7	8	9	10	11
PENSION FACTORS												
Complete Years:												
55	8.538	8.476	8.414	8.352	8.290	8.228	8.166	8.104	8.042	7.980	7.918	7.856
56	7.793	7.729	7.665	7.601	7.537	7.473	7.409	7.345	7.281	7.217	7.154	7.090
57	7.025	6.959	6.893	6.827	6.761	6.695	6.630	6.564	6.498	6.432	6.366	6.300
58	6.233	6.165	6.097	6.030	5.962	5.894	5.826	5.758	5.690	5.622	5.554	5.486
59	5.417	5.347	5.277	5.207	5.137	5.067	4.997	4.927	4.857	4.787	4.717	4.647
60	4.576	4.504	4.432	4.360	4.288	4.215	4.143	4.071	3.999	3.927	3.855	3.782
61	3.709	3.635	3.560	3.486	3.411	3.337	3.263	3.188	3.114	3.039	2.965	2.890
62	2.815	2.738	2.661	2.584	2.508	2.431	2.354	2.277	2.201	2.124	2.047	1.970
63	1.892	1.813	1.734	1.655	1.575	1.496	1.417	1.338	1.259	1.179	1.100	1.021
64	0.940	0.859	0.777	0.695	0.613	0.532	0.450	0.368	0.286	0.204	0.123	0.041

Notes:

(1) Amount payable is determined by multiplying the member's pension entitlement at date of retirement by the factor shown for age at retirement.

(2) Pension amounts should be multiplied by factor above before any lump sum commutation option is exercised except for members with mandatory lump sums. For members with mandatory lump sums the accrued pension after reduction to allow for commutation of mandatory lump sum (but no further optional lump sum) should be multiplied by the above factor.

TABLE CER8

HSC PENSION SCHEME - MEMBERS OF 2008 SECTION (CHOICE OPTANTS)

Employer cost for a member with NPA 65 leaving on compulsory early retirement for early payment of mandatory lump sum

AGE: complete months	0	1	2	3	4	5	6	7	8	9	10	11
MANDATORY LUMP SUM FACTORS												
Complete Years:												
55	0.271	0.269	0.267	0.265	0.263	0.261	0.259	0.257	0.256	0.254	0.252	0.250
56	0.248	0.246	0.244	0.242	0.240	0.238	0.236	0.234	0.232	0.230	0.228	0.226
57	0.224	0.222	0.220	0.218	0.216	0.214	0.212	0.210	0.208	0.205	0.203	0.201
58	0.199	0.197	0.195	0.193	0.191	0.189	0.186	0.184	0.182	0.180	0.178	0.176
59	0.174	0.171	0.169	0.167	0.165	0.163	0.160	0.158	0.156	0.154	0.152	0.149
60	0.147	0.145	0.143	0.140	0.138	0.136	0.133	0.131	0.129	0.127	0.124	0.122
61	0.120	0.117	0.115	0.113	0.110	0.108	0.105	0.103	0.101	0.098	0.096	0.094
62	0.091	0.089	0.086	0.084	0.081	0.079	0.076	0.074	0.071	0.069	0.066	0.064
63	0.062	0.059	0.056	0.054	0.051	0.049	0.046	0.044	0.041	0.038	0.036	0.033
64	0.031	0.028	0.025	0.023	0.020	0.017	0.015	0.012	0.009	0.007	0.004	0.001

Notes:
(1) Amount payable is determined by multiplying the mandatory lump sum entitlement at date of retirement, by the factor shown for age at retirement.

TABLE CER9

HSC PENSION SCHEME - MEMBERS OF 1995 SECTION

Employer cost for a member with NPA 55 leaving on compulsory early retirement for members with deferred PI

Age: complete months	0	1	2	3	4	5	6	7	8	9	10	11
LUMP SUM FACTORS												
Complete years:												
50	0.081	0.079	0.078	0.077	0.076	0.075	0.074	0.073	0.071	0.070	0.069	0.068
51	0.067	0.066	0.064	0.063	0.062	0.061	0.059	0.058	0.057	0.056	0.055	0.053
52	0.052	0.051	0.049	0.048	0.047	0.045	0.044	0.043	0.041	0.040	0.039	0.037
53	0.036	0.034	0.033	0.031	0.030	0.029	0.027	0.026	0.024	0.023	0.021	0.020
54	0.018	0.017	0.015	0.013	0.012	0.010	0.009	0.007	0.006	0.004	0.002	0.001

Notes:

(1) Saving is determined by multiplying the member's deferred PI amount due on the lump sum by the factor shown for age at retirement.

(2) This should then be deducted from the cost charged to the employer. The overall costs should be greater than or equal to £0.

TABLE CER10

HSC PENSION SCHEME - MEMBERS OF 1995 SECTION

Employer costs for a member with NPA 60 leaving on compulsory early retirement for members retiring before age 55 with deferred PI

Age: complete months	0	1	2	3	4	5	6	7	8	9	10	11
PENSION FACTORS												
Complete years:												
50	3.972	3.982	3.992	4.002	4.013	4.023	4.033	4.043	4.054	4.064	4.074	4.084
51	4.095	4.105	4.116	4.126	4.137	4.148	4.158	4.169	4.179	4.190	4.201	4.211
52	4.222	4.233	4.244	4.255	4.266	4.277	4.288	4.299	4.310	4.321	4.332	4.343
53	4.354	4.365	4.377	4.388	4.399	4.411	4.422	4.433	4.445	4.456	4.467	4.479
54	4.490	4.502	4.514	4.526	4.537	4.549	4.561	4.573	4.584	4.596	4.608	4.620

Age: complete months	0	1	2	3	4	5	6	7	8	9	10	11
LUMP SUM FACTORS												
Complete years:												
50	0.037	0.038	0.040	0.041	0.043	0.044	0.046	0.047	0.048	0.050	0.051	0.053
51	0.054	0.056	0.057	0.059	0.060	0.062	0.064	0.065	0.067	0.068	0.070	0.071
52	0.073	0.075	0.076	0.078	0.080	0.081	0.083	0.085	0.086	0.088	0.090	0.091
53	0.093	0.095	0.097	0.098	0.100	0.102	0.104	0.106	0.107	0.109	0.111	0.113
54	0.115	0.117	0.118	0.120	0.122	0.124	0.126	0.128	0.130	0.132	0.134	0.136

Notes:
(1) Amount payable due to deferred PI on pensions from age 55 up to NPA is determined by multiplying the amount of deferred PI at date of retirement by the pension factor shown for age at retirement.
(2) Amount payable due to deferred PI on lump sum due at 55 is determined by multiplying the member's deferred PI amount due on the lump sum by the lump sum factor shown for age at retirement.

TABLE CER11

HSC PENSION SCHEME - MEMBERS OF 1995 SECTION

Employer costs for a member with NPA 55 leaving on compulsory early retirement for members retiring before age 55 with at least one dependent child

Age: complete months	0	1	2	3	4	5	6	7	8	9	10	11
PENSION FACTORS												
Complete years:												
50	4.593	4.521	4.449	4.378	4.306	4.234	4.162	4.090	4.018	3.946	3.874	3.802
51	3.729	3.655	3.580	3.506	3.432	3.358	3.283	3.209	3.135	3.061	2.987	2.912
52	2.837	2.760	2.683	2.607	2.530	2.453	2.377	2.300	2.223	2.147	2.070	1.993
53	1.915	1.836	1.757	1.678	1.599	1.519	1.440	1.361	1.282	1.203	1.123	1.044
54	0.963	0.879	0.795	0.712	0.628	0.544	0.460	0.377	0.293	0.209	0.126	0.042

Notes:

(1) Amount payable in respect of that part of the member's pension relating to service rendered before 1st January 1993 (female members) or service between 17 May 1990 and 31 December 1992 inclusive (male members) is determined by multiplying the applicable pension by the factor shown for age at retirement

(2) Pension amounts should be multiplied by factor above before any lump sum commutation option is exercised

(3) These factors are not suitable for that part of the member's pension where PI is deferred until age 55.

TABLE CER12

HSC PENSION SCHEME - MEMBERS OF 1995 SECTION

Employer costs for a member with NPA 60 leaving on compulsory early retirement for members retiring before age 55 with at least one dependent child

Age: complete months	0	1	2	3	4	5	6	7	8	9	10	11
PENSION FACTORS												
Complete years:												
50	8.553	8.491	8.429	8.368	8.306	8.245	8.183	8.121	8.060	7.998	7.937	7.875
51	7.812	7.749	7.685	7.622	7.558	7.495	7.431	7.368	7.304	7.240	7.177	7.113
52	7.049	6.983	6.918	6.852	6.786	6.721	6.655	6.590	6.524	6.459	6.393	6.327
53	6.261	6.193	6.125	6.058	5.990	5.922	5.854	5.787	5.719	5.651	5.584	5.516
54	5.446	5.374	5.302	5.231	5.159	5.087	5.015	4.944	4.872	4.800	4.728	4.656

Notes:

(1) Amount payable in respect of that part of the member's pension relating to service rendered before 1st January 1993 (female members) or service between 17 May 1990 and 31 December 1992 inclusive (male members) is determined by multiplying the applicable pension by the factor shown for age at retirement

(2) Pension amounts should be multiplied by factor above before any lump sum commutation option is exercised

(3) These factors are not suitable for that part of the member's pension where PI is deferred until age 55