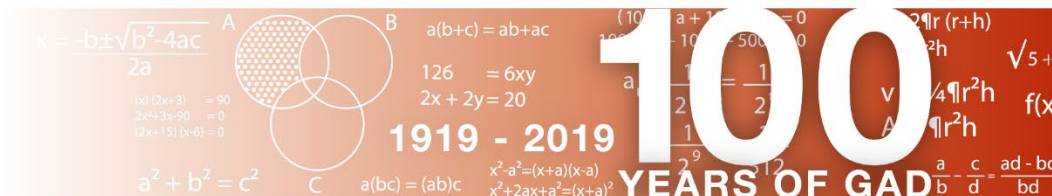




Government
Actuary's
Department



National Health Service Pension Scheme (Scotland)

Compulsory early retirement

Factors and guidance

Date: 25 October 2019





Contents

1	Introduction	1
2	Compulsory Early Retirement - 1995 section members	5
3	Compulsory Early Retirement - 2008 section members	11
4	Members with benefits in both the NHSPSS 2015 and the NHSSS	14
5	Adjustments required where members have deferred PI	15
6	Payment options: spreading costs or capitalisation after redundancy	17
7	Examples	18
	Appendix A: Assumptions underlying factors	24
	Appendix B: Factors to calculate employer costs on compulsory early retirement	25
	Appendix C: Limitations	40



1 Introduction

1.1 This Note is provided for the use of the Scottish Public Pensions Agency ('SPPA') as administrator of the National Health Service Pension Scheme (Scotland) ("NHSPS Scotland"). 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 SPPA dated 30 October 2018 and its instructions following that advice.

1.3 This guidance is intended to supersede any factors or advice previously issued for the purposes of compulsory early retirement calculations. In particular this guidance supersedes:

"National Health Service Superannuation Scheme for Scotland: Compulsory early retirement - Factors and guidance" dated 27 March 2015.

We do not expect that factors issued in the past should be used for future cases from 29 October 2018.

1.4 No advice or factors issued for the NHS Pension Scheme (Scotland) 2015 ("NHSPSS 2015") should be used for compulsory early retirement calculations for members with benefits only in the NHSPS Scotland.

1.5 Where members have benefits in both the NHSPS Scotland and NHSPSS 2015 please refer to section 4.

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 Regulations¹ (32-34) cover the provisions for transitional members (i.e. members with entitlement to benefit from both the NHSPS Scotland and NHSPSS 2015).

¹ The National Health Service Pension Scheme (Transitional and Consequential Provisions) (Scotland) Regulations 2015 (SSI 2015/95)



Factor Table Number	Statutory Reference
CER1 (Table 801 in consolidated factors spreadsheet) • pension up to Normal Pension Age (NPA) • NPA 55 1995 section CER2 (Table 802 in consolidated factors spreadsheet) • enhancement payments after NPA • NPA 55 1995 section • capitalisation of quarterly contributions CER3 (Table 803 in consolidated factors spreadsheet) • early payment of lump sum • NPA 55 1995 section CER4 (Table 804 in consolidated factors spreadsheet) • payments up to NPA • NPA 60 1995 section CER5 (Table 805 in consolidated factors spreadsheet) • enhancement payments after NPA • NPA 60 1995 section • capitalisation of quarterly contributions CER6 (Table 806 in consolidated factors spreadsheet) • early payment of lump sum • NPA 60 1995 section	SSI 2011/117 D2 Contributions and other payments by employing authorities [<i>members becoming entitled to benefits under regulations E6 (early retirement pension (redundancy etc)) or E7 (early retirement pension (redundancy etc new starters and post-transition))</i>]
CER7 (Table 807 in consolidated factors spreadsheet) • payments up to NPA • NPA 65 2008 section CER8 (Table 808 in consolidated factors spreadsheet) • early payment of mandatory lump sum • NPA 65 2008 section (Choice Optants)	SSI 2013/174 2.C.6 Contributions by employing authorities [<i>members becoming entitled to pensions under regulation 2.D.11 (early retirements on termination of employment by employing authority)</i>]



CER9 (Table 809 in consolidated factors spreadsheet) • employer costs due to deferred PI • NPA 55 1995 section (members with previously deferred benefits) CER10 (Table 1-810A and 1-810B in consolidated factors spreadsheet) • employer costs due to deferred PI • NPA 60 1995 section (members with previously deferred benefits) CER11 (Table 811 in consolidated factors spreadsheet) • immediately increasing pension payments up to NPA • NPA 55 1995 section (members with at least one dependent child) CER12 (Table 812 in consolidated factors spreadsheet) • immediately increasing pension payments up to NPA • NPA 60 1995 section (members with at least one dependent child)	SSI 2011/117 D2 Contributions and other payments by employing authorities [<i>members becoming entitled to benefits under regulations E6 (early retirement pension (Redundancy etc)) or E7 (early retirement pension (Redundancy etc new starters and post-transition))</i>]
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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 and some important limitations can be found in Appendix C.

Implementation

1.9 As agreed the factors contained in this note should be used with effect from 29 October 2018

1.10 This guidance has been written for pension administrators and assumes some knowledge of general pension terminology, and some familiarity with retirement calculations for the NHS Pension Scheme Scotland. Any questions concerning the application of the guidance should, in the first instance, be referred to SPPA.

1.11 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.



- 1.12 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

- 1.13 This guidance has been prepared for the use of SPPA as the scheme administrators for the purposes of demonstrating the application of the factors covered by this guidance only. This guidance may be published on SPPA and the scheme administrator's website but must not otherwise be reproduced, distributed or communicated in whole or in part to any other person without GAD's prior written permission.
- 1.14 Other than SPPA as the scheme administrators, no person or third party is entitled to place any reliance on the contents of this guidance, except to any extent explicitly stated herein. GAD has no liability to any person or third party for any action taken or for any failure to act, either in whole or in part, on the basis of this guidance, whether or not GAD has agreed to the disclosure of its advice to the third party.



2 Compulsory Early Retirement - 1995 section members

- 2.1 This section refers to employer contributions payable by employing authorities under Regulation SSI 2011/117 D2 (5), where a pension becomes payable to a member under Regulations SSI 2011/117 E6 (early retirement (redundancy etc)) or E7 (early retirement pension (redundancy etc new starters and post-transition)).
- 2.2 The contributions payable by employing authorities where a pension becomes payable to a member under Regulations E6 or E7 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)². 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 NHSPS Scotland and NHSPSS 2015. On redundancy before age 55 only benefits from the 1995 section of the NHSPS Scotland are available. No further accrual in the NHSPSS 2015 is permitted if NHSSS benefits become payable in these circumstances.
- 2.7 Worked examples are provided in Section 7 of this Note.

² In accordance with Pensions Increase Act (1971) 3 (2)(c)



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)³. 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 (allowing for the better of male and female GMP following equalisation) and add 2.20% for each complete year to GMP payment age:

$$\mathbf{B} = \text{Revalued GMP at retirement date} \times [1 + 2.20\% \times (\text{period to date GMP payable})]$$

³ See regulation E7(4A) inserted by regulation 8 of The National Health Service Superannuation Scheme (Miscellaneous Amendments) (Scotland) Regulations 2015 (SSI 2015/96)



- 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:

$$C = \text{Total pension} * (A) - (\text{additional lump sum} \div 12)$$

**after application of ERF if applicable*

- 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 $12 \times (A - B)$, 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 SSI 2013/174 2.C.6, where a pension becomes payable to a member under Regulation SSI 2013/174 2.D.11 (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 2.D.11 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 NHSPS Scotland and NHSPSS 2015. Unlike 1995 section benefits further accrual in the NHSPSS 2015 is permitted in most cases if 2008 section NHSPS Scotland 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
- The approach is based on GAD's understanding that the mandatory lump sum is not reduced for payment before age 60 on compulsory early retirement

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)⁴. 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 (allowing for the better of male and female GMP following equalisation) and add 2.20% for each complete year to GMP payment age:

B = Revalued GMP at retirement date × [1 + 2.20% × (period to date GMP payable)]

⁴ See regulation 2.D.11(3A) inserted by regulation 29 of The National Health Service Superannuation Scheme (Miscellaneous Amendments) (Scotland) Regulations 2015 (SSI 2015/96)



- 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 lump sum required and calculate the residual pension:

$$C = \text{Total pension} * (A) - (\text{additional lump sum} \div 12)$$

**after application of ERF if applicable*

- 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 $12 \times (A - B)$, with corresponding reduction in pension of $(A - B)$.



4 Members with benefits in both the NHSPSS 2015 and the NHSSS

- 4.1 For transitional members i.e. those with benefit entitlement from both the NHSPS Scotland and NHSPSS 2015, on redundancy before age 55 only benefits from the 1995 section of the NHSPS Scotland are available.
- 4.2 No further accrual in the NHSPSS 2015 is permitted if 1995 section NHSPS Scotland 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 NHSPSS 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 SSI 2011/117 D2(7)(b), D2(7A) and SSI 2013/174 2.C.6(4) 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 Scottish Ministers agree, 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:

$\text{Each annual instalment} = \text{Total single capitalised employer cost} \times 0.220$
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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 SSI 2011/117 D2(8) 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. Compulsory early retirement of a 1995 section member

Individual Data

Section	1995
Normal pension age	60
Date of birth	1 June 1967
Date of redundancy	1 July 2019
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	7.051
CER6	0.170

Employer cost for compulsory early retirement

- a. Cost of unreduced pension
= Main scheme pension x Factor CER4
= £5,000.00 x 7.051
= £35,255.00
- b. Cost of early payment of lump sum
= Scheme lump sum x Factor CER6
= £15,000.00 x 0.170
= £2,550.00

Total cost = £35,255.00 + £2,550.00 = **£37,805.00**



B. Compulsory early retirement of a 2008 section member

Individual Data

Section	2008
Normal pension age	65
Date of birth	1 April 1960
Date of redundancy	1 July 2020
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	4.415
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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
= £2,000.00 x 4.415
= £8,830.00

Total cost = **£8,830.00**



C. Compulsory early retirement of a Choice Optant

Individual Data

Section	2008 (Choice Optant)
Normal pension age	65
Date of birth	1 April 1963
Date of redundancy	1 July 2020
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
Post commutation (for MLS) pension	£8,081.25 pa

Factors at age 57 years and 3 months

CER7	6.970
CER8	0.167

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 6.970
 - = £56,326.31
- b. Cost of the early payment of the mandatory lump sum
 - = Mandatory lump sum x Factor CER8
 - = £11,025.00 x 0.167
 - = £1,841.18

Total cost = £56,326.31 + £1,841.18 = **£58,167.49**



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 1969
Date of redundancy (DOR)	1 July 2020
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	7.801
CER6	0.190
CER10 (Pension factor)	4.245
CER10 (Lump sum factor)	0.044

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
 = (£5,000.00 + £794.00) x 7.801
 = £45,198.99
- 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
 = (£15,000.00 + £2,382.00) x 0.190
 = £3,302.58
- c) Costs of deferred PI on pension after age 55
 = Deferred PI due on pension as at date of retirement x Factor CER10
 = (£794.00 x (1.10 – 1.00)) x 4.245
 = £337.05
- d) Costs of deferred PI due on lump sum at age 55
 = Deferred PI due on lump sum x Factor CER10
 = £2,382.00 x (1.10 – 1.00) x 0.044
 = £10.48

Total cost = £45,198.99 + £3,302.58 + £337.05 + £10.48 = **£48,849.10**



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 1968
Date of redundancy	1 July 2019
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	3.552
CER3	0.088
CER11	3.701

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
 = £4,750.00 x 3.552
 = £16,872.00
- b) Costs of pension payments up to age 55 on service before 1 January 1993
 = (Pension accrued before 1 January 1993) x Factor CER11
 = £750.00 x 3.701
 = £2,775.75
- c) Cost due to lump sum
 = Lump Sum x CER3
 = £16,500.00 x 0.088
 = £1,452.00

Total costs due to pension payments = £19,647.75

Total costs due to lump sum payments = £1,452.00

Total cost = £19,647.75 + £1,452.00 = **£21,099.75**



Appendix A: 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: normal health	Males: 95.5% of S2NMA Female: 97.5% of S2NFA (As per 2016 valuation.)
Future mortality improvement	Based on ONS principal UK population projections 2016
Year of Use	2020

Other assumptions

Proportion of male members for unisex factors	1/3 male members (reducing to zero for factors used to commute trivial dependant pension).																		
Age difference between member and partner	Male member 3 years older than partner and female 3 years younger than partner.																		
Proportions partnered	Age and sex dependent rates of proportions married or partnered at death. Sample rates for active members <table><tr><th>Age</th><th>Males</th><th>Females</th></tr><tr><td>50</td><td>0.76</td><td>0.54</td></tr><tr><td>60</td><td>0.76</td><td>0.54</td></tr><tr><td>70</td><td>0.74</td><td>0.46</td></tr><tr><td>80</td><td>0.61</td><td>0.23</td></tr><tr><td>90</td><td>0.34</td><td>0.07</td></tr></table>	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
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																	
Allowance for commutation	Nil except for mandatory lump sum cases.																		



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

TABLE CER1 (Table 801 in consolidated factors spreadsheet)

NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - 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	4.442	4.374	4.306	4.238	4.169	4.101	4.033	3.965	3.897	3.829	3.761	3.693
51	3.623	3.552	3.481	3.410	3.339	3.268	3.196	3.125	3.054	2.983	2.912	2.841
52	2.768	2.693	2.619	2.545	2.470	2.396	2.321	2.247	2.172	2.098	2.024	1.949
53	1.873	1.795	1.717	1.639	1.562	1.484	1.406	1.328	1.250	1.172	1.094	1.017
54	0.937	0.855	0.774	0.693	0.611	0.530	0.448	0.367	0.285	0.204	0.122	0.041
55	0.000											

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 (Table 802 in consolidated factors spreadsheet)

NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - 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	21.128	21.168	21.209	21.249	21.290	21.331	21.371	21.412	21.452	21.493	21.533	21.574
51	21.615	21.657	21.699	21.740	21.782	21.824	21.865	21.907	21.949	21.991	22.032	22.074
52	22.116	22.159	22.202	22.245	22.288	22.331	22.374	22.416	22.459	22.502	22.545	22.588
53	22.632	22.676	22.720	22.764	22.808	22.853	22.897	22.941	22.985	23.029	23.073	23.118
54	23.162	23.208	23.254	23.299	23.345	23.390	23.436	23.481	23.527	23.572	23.618	23.663
55	23.667	23.630	23.592	23.554	23.517	23.479	23.441	23.404	23.366	23.329	23.291	23.253
56	23.216	23.177	23.139	23.101	23.063	23.025	22.987	22.948	22.910	22.872	22.834	22.796
57	22.757	22.719	22.680	22.641	22.602	22.564	22.525	22.486	22.447	22.408	22.370	22.331
58	22.292	22.252	22.213	22.173	22.134	22.094	22.055	22.015	21.976	21.936	21.897	21.857
59	21.817	21.777	21.737	21.696	21.656	21.616	21.576	21.535	21.495	21.455	21.414	21.374
60	21.333	21.292	21.251	21.210	21.169	21.128	21.087	21.046	21.004	20.963	20.922	20.881
61	20.840	20.798	20.756	20.714	20.672	20.630	20.588	20.546	20.504	20.462	20.420	20.378
62	20.336	20.293	20.250	20.208	20.165	20.122	20.079	20.037	19.994	19.951	19.909	19.866
63	19.823	19.779	19.736	19.692	19.649	19.605	19.562	19.518	19.475	19.431	19.388	19.344
64	19.300	19.256	19.212	19.167	19.123	19.078	19.034	18.989	18.945	18.901	18.856	18.812
65	18.767	18.722	18.677	18.632	18.587	18.542	18.497	18.452	18.407	18.362	18.317	18.271
66	18.226	18.180	18.135	18.089	18.043	17.997	17.952	17.906	17.860	17.815	17.769	17.723
67	17.677	17.631	17.584	17.538	17.492	17.445	17.399	17.352	17.306	17.260	17.213	17.167
68	17.120	17.073	17.026	16.979	16.932	16.885	16.838	16.791	16.744	16.697	16.650	16.603
69	16.553	16.502	16.450	16.398	16.346	16.294	16.242	16.190	16.138	16.086	16.034	15.982
70	15.932	15.884	15.835	15.787	15.739	15.691	15.643	15.595	15.547	15.499	15.451	15.403
71	15.354	15.306	15.257	15.209	15.160	15.111	15.063	15.014	14.966	14.917	14.869	14.820
72	14.771	14.722	14.673	14.624	14.575	14.527	14.478	14.429	14.380	14.331	14.282	14.233



73	14.184	14.135	14.086	14.036	13.987	13.938	13.889	13.840	13.790	13.741	13.692	13.643
74	13.590	13.533	13.477	13.420	13.363	13.307	13.250	13.193	13.137	13.080	13.024	12.967
75	12.914	12.865	12.816	12.767	12.717	12.668	12.619	12.570	12.521	12.472	12.423	12.374
76	12.324	12.276	12.227	12.178	12.129	12.080	12.031	11.982	11.933	11.884	11.835	11.786
77	11.737	11.689	11.640	11.591	11.542	11.494	11.445	11.396	11.348	11.299	11.250	11.201
78	11.153	11.105	11.056	11.008	10.959	10.911	10.863	10.814	10.766	10.717	10.669	10.620
79	10.568	10.511	10.455	10.398	10.342	10.285	10.228	10.172	10.115	10.058	10.002	9.945
80	9.893	9.846	9.799	9.752	9.704	9.657	9.610	9.562	9.515	9.468	9.421	9.373
81	9.326	9.280	9.233	9.187	9.140	9.093	9.047	9.000	8.954	8.907	8.860	8.814
82	8.767	8.722	8.676	8.630	8.584	8.539	8.493	8.447	8.401	8.356	8.310	8.264
83	8.219	8.174	8.129	8.085	8.040	7.995	7.951	7.906	7.861	7.816	7.772	7.727
84	7.679	7.628	7.577	7.526	7.475	7.424	7.372	7.321	7.270	7.219	7.168	7.117
85	7.071	7.029	6.988	6.946	6.905	6.863	6.822	6.780	6.739	6.698	6.656	6.615
86	6.574	6.535	6.495	6.455	6.416	6.376	6.337	6.297	6.258	6.218	6.178	6.139
87	6.100	6.063	6.026	5.989	5.951	5.914	5.877	5.840	5.802	5.765	5.728	5.691
88	5.655	5.620	5.585	5.550	5.515	5.480	5.445	5.410	5.375	5.340	5.305	5.270
89	5.233	5.194	5.155	5.116	5.077	5.038	4.999	4.960	4.921	4.882	4.842	4.803
90	4.769	4.739	4.708	4.678	4.648	4.618	4.588	4.558	4.527	4.497	4.467	4.437
91	4.408	4.379	4.351	4.323	4.295	4.267	4.239	4.211	4.183	4.154	4.126	4.098
92	4.071	4.045	4.019	3.992	3.966	3.940	3.914	3.887	3.861	3.835	3.809	3.783
93	3.757	3.733	3.709	3.685	3.660	3.636	3.612	3.588	3.563	3.539	3.515	3.491
94	3.467	3.445	3.423	3.401	3.379	3.357	3.335	3.313	3.291	3.269	3.247	3.225
95	3.204	3.184	3.164	3.145	3.125	3.105	3.085	3.066	3.046	3.026	3.006	2.986
96	2.968	2.950	2.933	2.915	2.897	2.880	2.862	2.845	2.827	2.809	2.792	2.774
97	2.758	2.743	2.727	2.712	2.697	2.682	2.667	2.652	2.637	2.622	2.607	2.591
98	2.577	2.564	2.551	2.538	2.525	2.512	2.499	2.486	2.473	2.459	2.446	2.433
99	2.421	2.409	2.397	2.385	2.373	2.362	2.350	2.338	2.326	2.314	2.302	2.291
100	2.279	2.269	2.258	2.247	2.236	2.226	2.215	2.204	2.194	2.183	2.172	2.161
101	2.156											



TABLE CER3 (Table 803 in consolidated factors spreadsheet)

NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - 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	0.111	0.109	0.107	0.106	0.104	0.102	0.100	0.098	0.097	0.095	0.093	0.091
51	0.090	0.088	0.086	0.084	0.082	0.081	0.079	0.077	0.075	0.073	0.071	0.070
52	0.068	0.066	0.064	0.062	0.060	0.058	0.057	0.055	0.053	0.051	0.049	0.047
53	0.045	0.043	0.042	0.040	0.038	0.036	0.034	0.032	0.030	0.028	0.026	0.024
54	0.022	0.021	0.019	0.017	0.015	0.013	0.011	0.009	0.007	0.005	0.003	0.001
55	0.000											

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 (Table 804 in consolidated factors spreadsheet)

NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - 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	8.577	8.517	8.458	8.399	8.340	8.280	8.221	8.162	8.102	8.043	7.984	7.924
51	7.864	7.801	7.739	7.677	7.615	7.553	7.491	7.429	7.366	7.304	7.242	7.180
52	7.116	7.051	6.986	6.921	6.856	6.791	6.726	6.661	6.595	6.530	6.465	6.400
53	6.333	6.265	6.197	6.129	6.060	5.992	5.924	5.856	5.788	5.719	5.651	5.583
54	5.513	5.441	5.370	5.298	5.227	5.155	5.084	5.012	4.941	4.869	4.798	4.726
55	4.653	4.579	4.504	4.430	4.356	4.281	4.207	4.132	4.058	3.983	3.909	3.835
56	3.759	3.683	3.607	3.531	3.455	3.379	3.302	3.226	3.150	3.074	2.998	2.922
57	2.845	2.767	2.689	2.611	2.533	2.455	2.377	2.299	2.221	2.143	2.065	1.987
58	1.907	1.827	1.747	1.667	1.587	1.507	1.427	1.347	1.267	1.187	1.107	1.027
59	0.946	0.863	0.781	0.699	0.617	0.534	0.452	0.370	0.288	0.206	0.123	0.041
60	0.000											

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 (Table 805 in consolidated factors spreadsheet)

NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - 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	17.008	17.039	17.071	17.103	17.135	17.167	17.199	17.231	17.262	17.294	17.326	17.358
51	17.390	17.423	17.456	17.489	17.521	17.554	17.587	17.620	17.652	17.685	17.718	17.750
52	17.784	17.817	17.851	17.884	17.918	17.952	17.985	18.019	18.053	18.086	18.120	18.153
53	18.188	18.222	18.257	18.291	18.326	18.361	18.395	18.430	18.464	18.499	18.534	18.568
54	18.603	18.639	18.675	18.710	18.746	18.781	18.817	18.853	18.888	18.924	18.959	18.995
55	19.031	19.068	19.105	19.141	19.178	19.215	19.251	19.288	19.325	19.361	19.398	19.435
56	19.472	19.510	19.548	19.586	19.623	19.661	19.699	19.737	19.775	19.813	19.850	19.888
57	19.927	19.966	20.005	20.044	20.083	20.122	20.161	20.200	20.239	20.278	20.317	20.356
58	20.396	20.436	20.477	20.517	20.557	20.598	20.638	20.678	20.719	20.759	20.800	20.840
59	20.881	20.923	20.964	21.006	21.048	21.089	21.131	21.173	21.215	21.256	21.298	21.340
60	21.340	21.298	21.257	21.215	21.174	21.132	21.091	21.049	21.008	20.966	20.925	20.883
61	20.841	20.799	20.757	20.715	20.673	20.631	20.589	20.547	20.504	20.462	20.420	20.378
62	20.336	20.293	20.250	20.208	20.165	20.122	20.079	20.037	19.994	19.951	19.909	19.866
63	19.823	19.779	19.736	19.692	19.649	19.605	19.562	19.518	19.475	19.431	19.388	19.344
64	19.300	19.256	19.212	19.167	19.123	19.078	19.034	18.989	18.945	18.901	18.856	18.812
65	18.767	18.722	18.677	18.632	18.587	18.542	18.497	18.452	18.407	18.362	18.317	18.271
66	18.226	18.180	18.135	18.089	18.043	17.997	17.952	17.906	17.860	17.815	17.769	17.723
67	17.677	17.631	17.584	17.538	17.492	17.445	17.399	17.352	17.306	17.260	17.213	17.167
68	17.120	17.073	17.026	16.979	16.932	16.885	16.838	16.791	16.744	16.697	16.650	16.603
69	16.553	16.502	16.450	16.398	16.346	16.294	16.242	16.190	16.138	16.086	16.034	15.982
70	15.932	15.884	15.835	15.787	15.739	15.691	15.643	15.595	15.547	15.499	15.451	15.403
71	15.354	15.306	15.257	15.209	15.160	15.111	15.063	15.014	14.966	14.917	14.869	14.820



TABLE CER5 (Table 805 in consolidated factors spreadsheet)

72	14.771	14.722	14.673	14.624	14.575	14.527	14.478	14.429	14.380	14.331	14.282	14.233
73	14.184	14.135	14.086	14.036	13.987	13.938	13.889	13.840	13.790	13.741	13.692	13.643
74	13.590	13.533	13.477	13.420	13.363	13.307	13.250	13.193	13.137	13.080	13.024	12.967
75	12.914	12.865	12.816	12.767	12.717	12.668	12.619	12.570	12.521	12.472	12.423	12.374
76	12.324	12.276	12.227	12.178	12.129	12.080	12.031	11.982	11.933	11.884	11.835	11.786
77	11.737	11.689	11.640	11.591	11.542	11.494	11.445	11.396	11.348	11.299	11.250	11.201
78	11.153	11.105	11.056	11.008	10.959	10.911	10.863	10.814	10.766	10.717	10.669	10.620
79	10.568	10.511	10.455	10.398	10.342	10.285	10.228	10.172	10.115	10.058	10.002	9.945
80	9.893	9.846	9.799	9.752	9.704	9.657	9.610	9.562	9.515	9.468	9.421	9.373
81	9.326	9.280	9.233	9.187	9.140	9.093	9.047	9.000	8.954	8.907	8.860	8.814
82	8.767	8.722	8.676	8.630	8.584	8.539	8.493	8.447	8.401	8.356	8.310	8.264
83	8.219	8.174	8.129	8.085	8.040	7.995	7.951	7.906	7.861	7.816	7.772	7.727
84	7.679	7.628	7.577	7.526	7.475	7.424	7.372	7.321	7.270	7.219	7.168	7.117
85	7.071	7.029	6.988	6.946	6.905	6.863	6.822	6.780	6.739	6.698	6.656	6.615
86	6.574	6.535	6.495	6.455	6.416	6.376	6.337	6.297	6.258	6.218	6.178	6.139
87	6.100	6.063	6.026	5.989	5.951	5.914	5.877	5.840	5.802	5.765	5.728	5.691
88	5.655	5.620	5.585	5.550	5.515	5.480	5.445	5.410	5.375	5.340	5.305	5.270
89	5.233	5.194	5.155	5.116	5.077	5.038	4.999	4.960	4.921	4.882	4.842	4.803
90	4.769	4.739	4.708	4.678	4.648	4.618	4.588	4.558	4.527	4.497	4.467	4.437
91	4.408	4.379	4.351	4.323	4.295	4.267	4.239	4.211	4.183	4.154	4.126	4.098
92	4.071	4.045	4.019	3.992	3.966	3.940	3.914	3.887	3.861	3.835	3.809	3.783
93	3.757	3.733	3.709	3.685	3.660	3.636	3.612	3.588	3.563	3.539	3.515	3.491
94	3.467	3.445	3.423	3.401	3.379	3.357	3.335	3.313	3.291	3.269	3.247	3.225
95	3.204	3.184	3.164	3.145	3.125	3.105	3.085	3.066	3.046	3.026	3.006	2.986
96	2.968	2.950	2.933	2.915	2.897	2.880	2.862	2.845	2.827	2.809	2.792	2.774
97	2.758	2.743	2.727	2.712	2.697	2.682	2.667	2.652	2.637	2.622	2.607	2.591
98	2.577	2.564	2.551	2.538	2.525	2.512	2.499	2.486	2.473	2.459	2.446	2.433
99	2.421	2.409	2.397	2.385	2.373	2.362	2.350	2.338	2.326	2.314	2.302	2.291
100	2.279	2.269	2.258	2.247	2.236	2.226	2.215	2.204	2.194	2.183	2.172	2.161
101	2.156											



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 April 2008.

TABLE CER6 (Table 806 in consolidated factors spreadsheet)

NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - 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	0.210	0.209	0.207	0.206	0.204	0.202	0.201	0.199	0.198	0.196	0.195	0.193
51	0.191	0.190	0.188	0.187	0.185	0.183	0.182	0.180	0.178	0.177	0.175	0.174
52	0.172	0.170	0.169	0.167	0.165	0.164	0.162	0.160	0.159	0.157	0.155	0.154
53	0.152	0.150	0.149	0.147	0.145	0.144	0.142	0.140	0.139	0.137	0.135	0.133
54	0.132	0.130	0.128	0.127	0.125	0.123	0.121	0.120	0.118	0.116	0.114	0.113
55	0.111	0.109	0.107	0.106	0.104	0.102	0.100	0.098	0.097	0.095	0.093	0.091
56	0.090	0.088	0.086	0.084	0.082	0.081	0.079	0.077	0.075	0.073	0.071	0.070
57	0.068	0.066	0.064	0.062	0.060	0.058	0.057	0.055	0.053	0.051	0.049	0.047
58	0.045	0.043	0.042	0.040	0.038	0.036	0.034	0.032	0.030	0.028	0.026	0.024
59	0.022	0.021	0.019	0.017	0.015	0.013	0.011	0.009	0.007	0.005	0.003	0.001
60	0.000											

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 (Table 807 in consolidated factors spreadsheet)

NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - 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	8.780	8.714	8.648	8.582	8.516	8.450	8.384	8.318	8.252	8.186	8.120	8.054
56	7.987	7.919	7.852	7.784	7.717	7.650	7.582	7.515	7.447	7.380	7.312	7.245
57	7.176	7.108	7.039	6.970	6.901	6.832	6.763	6.694	6.625	6.556	6.487	6.418
58	6.348	6.278	6.207	6.137	6.066	5.996	5.925	5.855	5.784	5.714	5.643	5.573
59	5.501	5.429	5.357	5.285	5.213	5.141	5.069	4.997	4.925	4.853	4.781	4.709
60	4.636	4.562	4.488	4.415	4.341	4.267	4.193	4.119	4.046	3.972	3.898	3.824
61	3.749	3.674	3.598	3.522	3.446	3.371	3.295	3.219	3.144	3.068	2.992	2.916
62	2.840	2.762	2.684	2.606	2.528	2.451	2.373	2.295	2.217	2.140	2.062	1.984
63	1.905	1.825	1.745	1.665	1.585	1.505	1.426	1.346	1.266	1.186	1.106	1.026
64	0.945	0.863	0.781	0.698	0.616	0.534	0.452	0.370	0.288	0.205	0.123	0.041
65	0.000											

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 (Table 808 in consolidated factors spreadsheet)

NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - 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	0.210	0.209	0.207	0.206	0.204	0.202	0.201	0.199	0.198	0.196	0.195	0.193
56	0.191	0.190	0.188	0.187	0.185	0.183	0.182	0.180	0.178	0.177	0.175	0.174
57	0.172	0.170	0.169	0.167	0.165	0.164	0.162	0.160	0.159	0.157	0.155	0.154
58	0.152	0.150	0.149	0.147	0.145	0.144	0.142	0.140	0.139	0.137	0.135	0.133
59	0.132	0.130	0.128	0.127	0.125	0.123	0.121	0.120	0.118	0.116	0.114	0.113
60	0.111	0.109	0.107	0.106	0.104	0.102	0.100	0.098	0.097	0.095	0.093	0.091
61	0.090	0.088	0.086	0.084	0.082	0.081	0.079	0.077	0.075	0.073	0.071	0.070
62	0.068	0.066	0.064	0.062	0.060	0.058	0.057	0.055	0.053	0.051	0.049	0.047
63	0.045	0.043	0.042	0.040	0.038	0.036	0.034	0.032	0.030	0.028	0.026	0.024
64	0.022	0.021	0.019	0.017	0.015	0.013	0.011	0.009	0.007	0.005	0.003	0.001
65	0.000											

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 (Table 809 in consolidated factors spreadsheet)

NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - 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	0.083	0.082	0.081	0.080	0.078	0.077	0.076	0.075	0.074	0.072	0.071	0.070
51	0.069	0.067	0.066	0.065	0.063	0.062	0.061	0.060	0.058	0.057	0.056	0.054
52	0.053	0.052	0.050	0.049	0.048	0.046	0.045	0.043	0.042	0.041	0.039	0.038
53	0.036	0.035	0.033	0.032	0.030	0.029	0.027	0.026	0.024	0.023	0.021	0.020
54	0.018	0.017	0.015	0.014	0.012	0.010	0.009	0.007	0.006	0.004	0.002	0.001
55	0.000											

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 (Table 810 in consolidated factors spreadsheet)

NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland)- 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	4.131	4.139	4.148	4.157	4.166	4.174	4.183	4.192	4.200	4.209	4.218	4.227
51	4.236	4.245	4.254	4.263	4.272	4.281	4.290	4.299	4.308	4.317	4.326	4.335
52	4.344	4.353	4.362	4.372	4.381	4.390	4.399	4.409	4.418	4.427	4.437	4.446
53	4.455	4.465	4.475	4.484	4.494	4.503	4.513	4.523	4.532	4.542	4.551	4.561
54	4.571	4.581	4.591	4.601	4.611	4.620	4.630	4.640	4.650	4.660	4.670	4.680
55	4.685	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Age: complete months	0	1	2	3	4	5	6	7	8	9	10	11
LUMP SUM FACTORS												
Complete years:												
50	0.025	0.026	0.028	0.029	0.030	0.032	0.033	0.035	0.036	0.038	0.039	0.041
51	0.042	0.044	0.045	0.047	0.048	0.050	0.051	0.053	0.055	0.056	0.058	0.059
52	0.061	0.062	0.064	0.066	0.067	0.069	0.071	0.072	0.074	0.076	0.077	0.079
53	0.081	0.082	0.084	0.086	0.088	0.089	0.091	0.093	0.095	0.097	0.098	0.100
54	0.102	0.104	0.106	0.107	0.109	0.111	0.113	0.115	0.117	0.119	0.121	0.122
55	0.123											

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 (Table 811 in consolidated factors spreadsheet)

NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - 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	4.677	4.603	4.528	4.453	4.378	4.303	4.228	4.153	4.078	4.003	3.928	3.854
51	3.778	3.701	3.624	3.548	3.471	3.394	3.318	3.241	3.164	3.088	3.011	2.934
52	2.856	2.778	2.699	2.621	2.542	2.464	2.385	2.307	2.228	2.150	2.071	1.993
53	1.913	1.833	1.752	1.672	1.591	1.511	1.431	1.350	1.270	1.189	1.109	1.028
54	0.947	0.865	0.782	0.700	0.618	0.535	0.453	0.371	0.288	0.206	0.124	0.041
55	0.000											

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 (Table 812 in consolidated factors spreadsheet)

NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - 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	8.809	8.744	8.678	8.613	8.547	8.482	8.416	8.350	8.285	8.219	8.154	8.088
51	8.022	7.955	7.888	7.821	7.754	7.686	7.619	7.552	7.485	7.418	7.351	7.284
52	7.216	7.147	7.078	7.010	6.941	6.872	6.803	6.735	6.666	6.597	6.529	6.460
53	6.390	6.320	6.249	6.179	6.109	6.038	5.968	5.897	5.827	5.757	5.686	5.616
54	5.545	5.472	5.400	5.328	5.256	5.184	5.112	5.040	4.967	4.895	4.823	4.751
55	4.715											

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



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 compulsory early retirement 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 compulsory early retirement 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 SPPA and GAD. Under no circumstances should this guidance take precedence over the Regulations. Administrators should ensure that they comply with all relevant Regulations.