

**Police Pension Scheme 1987**  
**Calculation of service credits for incoming transfers**

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Police Pension Scheme 1987: Calculation of service credits for incoming transfers

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## 1 Introduction

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### 1.1 Scope of this guidance note

- 1.1.1 This note describes the methodology and factors to be used when determining service credits to be awarded on receipt of a statutory (non-Club) transfer value into the Police Pension Scheme 1987 (1988 in Northern Ireland). Separate guidance has been issued in respect of the New Police Pension Scheme 2006.
- 1.1.2 The factors apply in accordance with regulation F6 of The Police Pensions Regulations 1987 (UK SI 1987/257).
- 1.1.3 This note supersedes the guidance issued by the Government Actuary's Department on 16 April 2009 (Police Pension Scheme 1987: Calculation of service credits for incoming transfers) and the amending guidance issued by the Government Actuary's Department to the Home Office and Scottish Public Pensions Agency on 6 December 2010 to the Department of Justice, Northern Ireland on 9 February 2011.
- 1.1.4 This note does not cover Club transfers. Club transfers into the PPS are subject to a time limit of 12 months from joining. The PPS has been closed to new entrants for more than 12 months and so transfers in will not qualify for Club terms. Any authority wishing to process a transfer into the PPS on Club terms should refer the case to the Home Office, the SPPA or the Department of Justice, Northern Ireland, as per 1.3.2.
- 1.1.5 This note does not cover transfers in from the British Transport Police Force Superannuation Fund under any bilateral agreement.
- 1.1.6 References in this guidance to the Police Pensions Regulations 1987 and 2006 should also be taken to include their equivalents in Scotland and Northern Ireland.
- 1.1.7 In carrying out this work I have followed our normal quality processes for work conducted on public service pension matters.<sup>1</sup>

### 1.2 Changes to previous factors

The format of the revised factors is substantively the same as the factors that were previously issued in the 6 December 2010 guidance. There are, however, some changes as follows:

- HM Treasury (HMT) issued new guidance on the discount rates to be used for CETVs on 26 October 2011. The factors in this guidance are calculated consistently with the new HMT guidance, using a revised discount rate of 3.00% pa net of the Consumer Price Index (CPI).
- The demographic assumptions underlying the factors have also been updated, in particular to allow for assumed future mortality improvements in line with those incorporated in the 2010-based UK principal population projections, published by the Office for National Statistics.
- The new HMT guidance also removes the link to the index-linked gilt market. As a result, the application of AMC (Adjustment for Market Conditions) factors is no longer needed. AMCs have therefore been excluded from the formulae and tables in this document.

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<sup>1</sup> The GAD Statement of Understanding sets out the standards which the Department currently applies for any work carried out in this area.  
[http://www.gad.gov.uk/Document/Occupational%20Pensions/GAD\\_Statement\\_of\\_Understanding\\_v\\_1.1\\_Dec\\_2011.pdf](http://www.gad.gov.uk/Document/Occupational%20Pensions/GAD_Statement_of_Understanding_v_1.1_Dec_2011.pdf)

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- The proportion of the savings factor that is applied to GMP accrued from 6 April 1988 has changed from 30% (in the 6 December 2010 guidance) to 15% for all tables in this guidance.
- As noted in the 6 December 2010 guidance, factors for the survivor's pension do not depend on whether or not the member has a spouse or civil partner. Therefore, we now show only one set of factors as opposed to two sets of (identical) factors as presented in the 16 April 2009 guidance.

### 1.3 Questions about this guidance

- 1.3.1 If you have any questions about how to use this guidance, in the first instance administrators should consult published information or raise queries on the Police Pensions Administrators' Forum, at:

<http://pensions.police.homeoffice.gov.uk/>

- 1.3.2 If the Forum does not help, administrators may contact the Police Pensions Teams at the Home Office, the Scottish Public Pensions Agency or the Department of Justice, Northern Ireland, as applicable. These teams can be contacted in writing at the following addresses:

Police Pensions and Retirement Policy Section  
Police Finance and Pensions Unit  
6th Floor, Fry Building  
Home Office  
2 Marsham Street  
London  
SW1P 4DF

Scottish Public Pensions Agency  
7 Tweedside Park  
Tweedbank  
Galashiels  
TD1 3TE

Policing Policy and Strategy Division  
Department of Justice, Northern Ireland  
Block A, Castle Buildings  
Stormont Estate  
Belfast  
BT4 3SG

- 1.3.3 The Home Office, the SPPA or the Department of Justice, Northern Ireland will seek input from the Scheme actuary if necessary.

## 2 Processing transfers in

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- 2.1 The age, pensionable pay and GMP used in the calculation should be determined as at the relevant date (see section 2.5).
- 2.2 The figure for the member's pay should be the pensionable pay in PPS expressed as an annual rate (ie as would be used in the calculation of lump sum death grant) as at the relevant date (see section 2.5).
- 2.3 Even if the member is working part time as a police officer in PPS, the service credit awarded will count as full-time service. It should therefore be calculated using the member's full-time equivalent pensionable pay.
- 2.4 Factors for the survivor's pension do not depend on whether or not the member has a spouse or civil partner.

### 2.5 The relevant date

- 2.5.1 The relevant date is the date on which the transfer payment is received, except where an officer requests a quotation of the service credit in advance of the transfer value being paid. If the transfer payment is subsequently received within 3 months of the calculation date for the quotation, and if the amount of the transfer value is unchanged from the amount used in the quotation, the relevant date is the same as used for the quotation (ie the quoted service credit is honoured).

### 2.6 Adjustment for Market Conditions

- 2.6.1 Previously it was necessary to apply an adjustment for market conditions (AMC) when calculating CETVs and in related calculations. The revised HMT guidance removes the link to the index-linked gilt market. Therefore, AMCs are no longer required when using any of the factors in this guidance (and so have not been included in this guidance).

### 2.7 Receiving a transfer that includes a GMP

- 2.7.1 The PPS is able to receive statutory CETV transfers from former schemes that include GMPs. The GMP amount must be revalued to the relevant date. In cases where:
  - the last day of service in the former scheme is in the same tax year as the relevant date; or
  - the former scheme revalues GMP by Section 148 orders and the GMP has been revalued to the tax year in which the relevant date falls;the GMP given by the former scheme may be used.
- 2.7.2 Otherwise administrators should apply using the appropriate form to the National Insurance Contributions Office of HMRC requesting the GMP appropriate to the relevant date, revalued by reference to Section 148 orders. This GMP amount must be used in the check described at 2.7.3 and in the service credit calculation in section 3 or 4.
- 2.7.3 Before a statutory CETV is accepted a check must be conducted to ensure that the transfer value is large enough to ensure that the GMP liability will be covered. Such part of the transfer value as relates to pension benefit accrual before 6 April 1997 must be at least as great as the product of:
  - the annual amount of the GMP revalued up to the calculation date, and

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- the factor specified below:

Age	Factor <sup>2</sup>
29 or under	8
30 to 39	9
40 to 49	10
50 or over	12

If this test is not satisfied, the transfer cannot be accepted by the PPS.

- 2.7.4 In a case where a transfer cannot be accepted because the GMP test at section 2.7.3 is not satisfied, the PPS would nevertheless be able to accept a transfer value in respect of the benefits in excess of the GMP, with the GMP liability remaining with the former scheme.

## 2.8 Section 9(2B) rights

- 2.8.1 If the transfer value received includes benefits in respect of service after 6 April 1997 in a contracted out pension scheme, the PPS service credit in respect of benefits identified by the former scheme as post-97 contracted-out rights must be recorded as Section 9(2B) rights. The length of the service credit that counts as Section 9(2B) rights is determined as follows:

$$SC \times TV_{\text{post97}} \div TV$$

SC	service credit calculated in accordance with section 3 or 4
$TV_{\text{post 97}}$	the portion of the transfer value identified as post-1997 contracted-out rights
TV	total transfer value

## 2.9 Members' records

- 2.9.1 As well as service credit and GMP details, a record should be kept of:
- amount of the transfer value received
  - the portion of that transfer value identified as section 9(2B) rights
  - length of service credit that is section 9(2B) rights
  - if the actual length of PPS membership is less than two years, the length of qualifying service transferred from the former scheme

## 2.10 Transfers from overseas schemes

- 2.10.1 Transfer payments can be received from recognised overseas pension schemes (ie schemes which are regulated and approved for tax purposes by the tax authorities in the country in which they are established). The transfer payment does not necessarily have to come from a Qualifying Recognised Overseas Pension Scheme listed on HMRC's website. Note that pension schemes established in the Isle of Man or the Channel Islands are classed as overseas schemes.

<sup>2</sup> The factors are set out in Regulation F6 of The Police Pensions Regulations 1987 (UK SI 1987/257) and these are the current factors at the date of issue. Any changes in the regulations override this guidance.

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2.10.2 The service credit should be calculated in the same way as for other non-Club transfers.

### 3 Calculating service credits for members under the age of 55

- 3.1 The first step is to calculate the amount available for purchase of benefits (AAPB). This is calculated as

$$\text{AAPB} = \text{TV} + ([\text{PRE GMP} + (\text{G}_{\text{post88}} \times \text{POST GMP})] \times \text{F}_{\text{GMP}})$$

TV	the transfer value
PRE GMP	annual GMP accrued before 6 April 1988 revalued up to the relevant date
POST GMP	annual GMP accrued after 6 April 1988 revalued up to the relevant date
F <sub>GMP</sub>	factor for GMP saving – <b>Table A</b> or <b>Table B</b>
G <sub>post88</sub>	conversion factor applied to GMP deduction, for GMP amount in respect of service from 6 April 1988. Please see Note 1 in <b>Table A</b> or <b>Table B</b>

- 3.2 The service credit to be awarded depends on the member's 'total prospective service' (TPS) to age 55 as at the calculation date (excluding any service credit to be awarded), ie the member's actual service at the calculation date plus the potential service between the calculation date and age 55 assuming full-time employment.
- 3.3 Section 3.4 describes the calculation of the service credit for members with TPS less than 20 years. Sections 3.5 and 3.6 describe the calculation for members with TPS between 20 and 30 years and over 30 years respectively.

#### 3.4 Total prospective service less than 20 years

- 3.4.1 The cost of one year's accrual (1yr<sub>A</sub>) is calculated as

$$1\text{yr}_A = [\text{F}_p + (0.5 \times \text{F}_{\text{sur}})] \times \text{PAY} \div 60$$

F <sub>p</sub>	factor for member's pension – <b>Table A</b> or <b>Table B</b>
F <sub>sur</sub>	factor for survivor's pension – <b>Table A</b> or <b>Table B</b>
PAY	member's pensionable pay in PPS, see sections 2.1 to 2.3

- 3.4.2 The AAPB is sufficient to purchase a service credit (in years) of

$$\text{AAPB} \div 1\text{yr}_A$$

- 3.4.3 However, the maximum service credit that can be purchased at this cost is 20 years less TPS. If the service credit calculated in 3.4.2 is greater than this amount then only a service credit of 20 years less TPS can be purchased under section 3.4, at a total cost of

$$(20 - \text{TPS}) \times 1\text{yr}_A$$



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The balance of the AAPB (= AAPB – [(20 – TPS) x 1yr<sub>A</sub>]) can be used to purchase further service under section 3.5. In this case, the total service credit will be

- > 20 years less TPS; and
- > the credit that can be purchased under section 3.5 (assuming the member has TPS of 20 years) with the amount AAPB substituted by

$$\text{AAPB} - [(20 - \text{TPS}) \times 1\text{yr}_A]$$

(ie the balance available after the purchase of the maximum service credit available under this section).

### 3.5 Total prospective service between 20 and 30 years

3.5.1 The cost of one year's accrual (1yr<sub>B</sub>) is calculated as

$$1\text{yr}_B = [F_p + (0.5 \times F_{\text{sur}})] \times \text{PAY} \div 30$$

$F_p$	factor for member's pension – <b>Table A</b> or <b>Table B</b>
$F_{\text{sur}}$	factor for survivor's pension – <b>Table A</b> or <b>Table B</b>
PAY	member's pensionable pay in PPS, see sections 2.1 to 2.3

3.5.2 The AAPB is sufficient to purchase a service credit (in years) of

$$\text{AAPB} \div 1\text{yr}_B$$

3.5.3 However, the maximum service credit that can be purchased at this cost is 30 years less TPS. If the service credit calculated in 3.5.2 is greater than this amount then only a service credit of 30 years less TPS can be purchased under section 3.5, at a total cost of

$$(30 - \text{TPS}) \times 1\text{yr}_B$$

The balance of the AAPB (= AAPB – [(30 – TPS) x 1yr<sub>B</sub>]) can be used to purchase further service under section 3.6. In this case, the total service credit will be

- > 30 years less TPS; and
- > the credit that can be purchased under section 3.6 (assuming the member has TPS of 30 years) with the amount AAPB substituted by

$$\text{AAPB} - [(30 - \text{TPS}) \times 1\text{yr}_B]$$

(ie the balance available after the purchase of the maximum service credit available under this section).

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**3.6 Total prospective service greater than 30 years**

3.6.1 The cost of one year's accrual ( $1yr_c$ ) is calculated as

$$1yr_c = \{[F_p + (0.5 \times F_{sur})] \times PAY \div 30 \times [1 + (TPS - 30) \times F_{EP}]\} \times [1 + (20 \times F_{EP})]$$

$F_p$	factor for member's pension – <b>Table A</b> or <b>Table B</b>
$F_{sur}$	factor for survivor's pension – <b>Table A</b> or <b>Table B</b>
$F_{EP}$	factor for early payment – <b>Table A</b> or <b>Table B</b>
PAY	member's pensionable pay in PPS, see sections 2.1 to 2.3
TPS	total prospective service

3.6.2 The service credit is calculated as

$$AAPB \div 1yr_c$$

## 4 Calculating service credits for members aged 55 and over

- 4.1 The first step is to calculate the amount available for purchase of benefits (AAPB). This is calculated as

$$\text{AAPB} = \text{TV} + ([\text{PRE GMP} + (\text{G}_{\text{post88}} \times \text{POST GMP})] \times \text{F}_{\text{GMP}})$$

TV	the transfer value
PRE GMP	annual GMP accrued before 6 April 1988 revalued up to the relevant date
POST GMP	annual GMP accrued after 6 April 1988 revalued up to the relevant date
F <sub>GMP</sub>	factor for GMP saving – <b>Table A</b> or <b>Table B</b>
G <sub>post88</sub>	conversion factor applied to GMP deduction, for GMP amount in respect of service from 6 April 1988. Please see Note 1 in <b>Table A</b> or <b>Table B</b>

- 4.2 For members aged 55 and over, the service credit to be awarded depends on the member's service (SER) as at the calculation date (excluding any service credit to be awarded).
- 4.3 Section 4.4 describes the calculation of the service credit for members with SER less than 20 years. Section 4.5 describes the calculation for members with SER over 20 years.

### 4.4 Service less than 20 years

- 4.4.1 The cost of one year's accrual (1yr<sub>A</sub>) is calculated as

$$1\text{yr}_A = [\text{F}_p + (0.5 \times \text{F}_{\text{sur}})] \times \text{PAY} \div 60$$

F <sub>p</sub>	factor for member's pension – <b>Table A</b> or <b>Table B</b>
F <sub>sur</sub>	factor for survivor's pension – <b>Table A</b> or <b>Table B</b>
PAY	member's pensionable pay in PPS, see sections 2.1 to 2.3

- 4.4.2 The AAPB is sufficient to purchase a service credit (in years) of

$$\text{AAPB} \div 1\text{yr}_A$$

- 4.4.3 However, the maximum service credit that can be purchased at this cost is 20 years less SER. If the service credit calculated in 4.4.2 is greater than this amount then only a service credit of 20 years less SER can be purchased under section 4.4, at a total cost of

$$(20 - \text{SER}) \times 1\text{yr}_A$$

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The balance of the AAPB (= AAPB – [(20 – SER) x 1yr<sub>A</sub>]) can be used to purchase further service under section 4.5. In this case, the total service credit will be

- > 20 years less SER; and
- > the credit that can be purchased under section 4.5 (assuming the member has SER of 20 years) with the amount AAPB substituted by

$$\text{AAPB} - [(20 - \text{SER}) \times 1\text{yr}_A]$$

(ie the balance available after the purchase of the maximum service credit available under this section).

### 4.5 Service greater than 20 years

4.5.1 The cost of one year's accrual (1yr<sub>B</sub>) is calculated as

$$1\text{yr}_B = [F_p + (0.5 \times F_{\text{sur}})] \times \text{PAY} \div 30$$

$F_p$	factor for member's pension – <b>Table A</b> or <b>Table B</b>
$F_{\text{sur}}$	factor for survivor's pension – <b>Table A</b> or <b>Table B</b>
PAY	member's pensionable pay in PPS, see sections 2.1 to 2.3

4.5.2 The service credit is calculated as

$$\text{AAPB} \div 1\text{yr}_B$$

## 5 Example calculations

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### 5.1 Member under age 55, TPS less than 20 years

The following information is needed for this calculation:

A. Member date of birth	23 April 1959
B. Relevant date	26 October 2012
C. Member age	53 years, 186 days
D. Gender	Male
E. Annual rate of Pensionable Pay in PPS	£45,000
F. Transfer Value from previous scheme	£130,000
G. TV in respect of section 9(2B) rights	£27,500
H. Reckonable service	10 years
I. Pre 6/4/88 GMP	£0
J. Post 6/4/88 GMP	£0
K. Have the figures in I & J been revalued?	n/a

#### Calculation of AAPB

From 3.1 the amount available for purchase of benefits (AAPB) is:

$$\text{AAPB} = \text{TV} + ([\text{PRE GMP} + (\text{G}_{\text{post88}} \times \text{POST GMP})] \times \text{F}_{\text{GMP}})$$

TV = 130,000 (from F. above)

PRE GMP = 0 (from I. above)

POST GMP = 0 (from J. above)

$\text{F}_{\text{GMP}}$  = 3.47 (from Table A)

$\text{G}_{\text{post88}}$  = 0.15 (from Table A)

Substituting these values into the formula above, we get

$$\begin{aligned} \text{AAPB} &= 130,000 + ([0 + (0.15 \times 0)] \times 3.47) \\ &= 130,000 + 0 \\ &= 130,000 \end{aligned}$$

#### Calculation of TPS

Past Service = 10 years (from H. above)

Potential Future Service = 55 years – 53 years 186 days = 1 year 179 days

TPS = Past Service + Potential Future Service = 11 years 179 days

TPS is less than 20 years and so the service credit is calculated in accordance with section 3.4

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### Calculation of the value of one year's accrual

From 3.4.1 the cost of one year's accrual is:

$$1\text{yr}_A = [F_p + (0.5 \times F_{\text{sur}})] \times \text{PAY} \div 60$$

$$F_p = 22.31 \text{ (from Table A)}$$

$$F_{\text{sur}} = 3.84 \text{ (from Table A)}$$

$$\text{PAY} = 45,000 \text{ (from E. above)}$$

Substituting these values into the formula above, we get

$$\begin{aligned} 1\text{yr}_A &= [22.31 + (0.5 \times 3.84)] \times 45,000 \div 60 \\ &= [22.31 + 1.92] \times 45,000 \div 60 \\ &= 24.230 \times 45,000 \div 60 \\ &= 18,172.50 \end{aligned}$$

### Calculation of service credit

From 3.4.2 AAPB is sufficient to purchase a service credit of:

$$\text{AAPB} \div 1\text{yr}_A$$

From above we have

$$\text{AAPB} = 130,000$$

$$1\text{yr}_A = 18,172.50$$

Substituting these values into the formula above, we get

$$\begin{aligned} \text{Potential service credit} &= 130,000 \div 18,172.50 \\ &= 7.154 \text{ years} \\ &= 7 \text{ years } 57 \text{ days (rounding up to the nearest day)} \end{aligned}$$

From 3.4.3, the maximum service credit that can be purchased at this cost is 20 years less TPS, ie 8 years 186 days (20 years less 11 years 179 days).

The potential service credit is less than this so the service credit awarded is **7 years 57 days**.

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### **Service credit in respect of section 9(2B) rights**

From 2.8.1 the formula for the calculation of service credits in respect of section 9(2B) rights is:

$$\text{SC} \times \text{TV}_{\text{post97}} \div \text{TV}$$

From above we have

$$\text{SC} = 7.154 \text{ (7 years 57 days)}$$

$$\text{TV}_{\text{post97}} = 27,500 \text{ (from G. above)}$$

$$\text{TV} = 130,000$$

Substituting these values into the formula above, we get

Service credit in respect of section 9(2B) rights

$$= 7.154 \times 27,500 \div 130,000$$

$$= 1.513 \text{ years}$$

$$= 1 \text{ year 188 days (rounding up to the nearest day)}$$

## 5.2 Member under age 55, TPS less than 20 years (service credit exceeds the difference between TPS and 20 years)

The following information is needed for this calculation:

A. Member date of birth	17 May 1975
B. Relevant date	17 May 2014
C. Member age	39 years, 0 days
D. Gender	Female
E. Annual rate of Pensionable Pay in PPS	£26,000
F. Transfer Value from previous scheme	£120,000
G. TV in respect of section 9(2B) rights	£50,000
H. Reckonable service	3 years 100 days
I. Pre 6/4/88 GMP	£0
J. Post 6/4/88 GMP	£0
K. Have the figures in I & J been revalued?	n/a

### Calculation of AAPB

From 3.1 the amount available for purchase of benefits (AAPB) is:

$$\text{AAPB} = \text{TV} + ([\text{PRE GMP} + (\text{G}_{\text{post88}} \times \text{POST GMP})] \times \text{F}_{\text{GMP}})$$

TV = 120,000 (from F. above)

PRE GMP = 0 (from I. above)

POST GMP = 0 (from J. above)

$\text{F}_{\text{GMP}}$  = 2.76 (from Table B)

$\text{G}_{\text{post88}}$  = 0.15 (from Table B)

Substituting these values into the formula above, we get

$$\begin{aligned} \text{AAPB} &= 120,000 + ([0 + (0.15 \times 0)] \times 2.76) \\ &= 120,000 + 0 \\ &= 120,000 \end{aligned}$$

### Calculation of TPS

Past Service = 3 years 100 days (from H. above)

Potential Future Service = 55 years – 39 years = 16 years

TPS = Past Service + Potential Future Service = 19 years and 100 days

TPS is less than 20 years and so the service credit is calculated in accordance with section 3.4.



### Calculation of the value of one year's accrual

From 3.4.1 the cost of one year's accrual is:

$$1\text{yr}_A = [F_p + (0.5 \times F_{\text{sur}})] \times \text{PAY} \div 60$$

$F_p = 23.38$  (from Table B)

$F_{\text{sur}} = 1.86$  (from Table B)

$\text{PAY} = 26,000$  (from E. above)

Substituting these values into the formula above, we get

$$\begin{aligned} 1\text{yr}_A &= [23.38 + (0.5 \times 1.86)] \times 26,000 \div 60 \\ &= [23.38 + 0.93] \times 26,000 \div 60 \\ &= 24.31 \times 26,000 \div 60 \\ &= 10,534.33 \end{aligned}$$

### Calculation of service credit

From 3.4.2 AAPB is sufficient to purchase a service credit of:

$$\text{AAPB} \div 1\text{yr}_A$$

From above we have

$\text{AAPB} = 120,000$

$1\text{yr}_A = 10,534.33$

Substituting these values into the formula above, we get

$$\begin{aligned} \text{Potential service credit} &= 120,000 \div 10,534.33 \\ &= 11.391 \text{ years} \\ &= 11 \text{ years } 143 \text{ days (rounding up to the nearest day)} \end{aligned}$$

From 3.4.3, the maximum service credit that can be purchased at this cost is 20 years less TPS, ie 0 years 265 days (20 years less 19 years 100 days).

The potential service credit is greater than the maximum that can be purchased under section 3.4. Therefore, the maximum service credit (265 days) is purchased under 3.4, with the balance of the AAPB being used to purchase further service under section 3.5 (assuming TPS of 20 years).

From 3.4.3 the new amount available for the purchase of benefits under section 3.5 is:

$$\text{NEW AAPB} = \text{AAPB} - [(20 - \text{TPS}) \times 1\text{yr}_A]$$

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From above we have

$$\text{AAPB} = 120,000$$

$$\text{TPS} = 19.274$$

$$1\text{yr}_A = 10,534.33$$

Substituting these values into the formula above, we get

$$\begin{aligned}\text{NEW AAPB} &= 120,000 - [(20 - 19.274) \times 10,534.33] \\ &= 120,000 - [0.726 \times 10,534.33] \\ &= 120,000 - 7,647.92 \\ &= 112,352.08\end{aligned}$$

From 3.5.1 the new cost of one year's accrual is:

$$1\text{yr}_B = [F_P + (0.5 \times F_{\text{SUR}})] \times \text{PAY} \div 30$$

$$F_P = 23.38 \text{ (from above)}$$

$$F_{\text{SUR}} = 1.86 \text{ (from above)}$$

$$\text{PAY} = 26,000 \text{ (from above)}$$

Substituting these into the formula above, we get

$$\begin{aligned}1\text{yr}_B &= [23.38 + (0.5 \times 1.86)] \times 26,000 \div 30 \\ &= [23.38 + 0.93] \times 26,000 \div 30 \\ &= 24.31 \times 26,000 \div 30 \\ &= 21,068.67\end{aligned}$$

From 3.5.2, NEW AAPB is sufficient to purchase a service credit of:

$$\text{NEW AAPB} \div 1\text{yr}_B$$

From above we have

$$\text{New AAPB} = 112,352.08$$

$$1\text{yr}_B = 21,068.67$$

Substituting these into the formula above, we get

$$\begin{aligned}\text{Potential additional service credit} &= 112,352.08 \div 21,068.67 \\ &= 5.333 \text{ years} \\ &= 5 \text{ years and 122 days (rounding up to the nearest day)}\end{aligned}$$

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From 3.5.3, the maximum service credit that can be purchased at this cost is 30 years less TPS, ie 10 years (30 years less 20 years).

The potential additional service credit is less than this so the additional service credit awarded is 5 years 122 days.

Therefore, the total service credit awarded is **6 years and 22 days** (265 days from section 3.4 and 5 years 122 days from section 3.5).

### **Service credit in respect of section 9(2B) rights**

From 2.8.1 the formula for the calculation of service credits in respect of section 9(2B) rights is:

$$SC \times TV_{\text{post97}} \div TV$$

From above we have

$$SC = 6.060 \text{ (= 6 years 22 days)}$$

$$TV_{\text{post97}} = 50,000 \text{ (from G.)}$$

$$TV = 120,000 \text{ (from F.)}$$

Substituting these values into the formula above, we get

Service credit in respect of section 9(2B) rights

$$= 6.06 \times 50,000 \div 120,000$$

$$= 2.525 \text{ years}$$

$$= 2 \text{ years 192 days (rounding up to the nearest day)}$$

### 5.3 Member under age 55, TPS between 20 and 30 years

The following information is needed for this calculation:

<b>A.</b> Member date of birth	11 September 1975
<b>B.</b> Relevant date	11 September 2012
<b>C.</b> Member age	37 years, 0 days
<b>D.</b> Gender	Male
<b>E.</b> Annual rate of Pensionable Pay in PPS	£23,000
<b>F.</b> Transfer Value from previous scheme	£95,000
<b>G.</b> TV in respect of section 9(2B) rights	£10,000
<b>H.</b> Reckonable service	6 years 0 days
<b>I.</b> Pre 6/4/88 GMP	£0
<b>J.</b> Post 6/4/88 GMP	£0
<b>K.</b> Have the figures in I & J been revalued?	n/a

#### Calculation of AAPB

From 3.1 the amount available for purchase of benefits (AAPB) is:

$$\text{AAPB} = \text{TV} + ([\text{PRE GMP} + (\text{G}_{\text{post88}} \times \text{POST GMP})] \times \text{F}_{\text{GMP}})$$

TV = 95,000 (from F. above)

PRE GMP = 0 (from I. above)

POST GMP = 0 (from J. above)

$\text{F}_{\text{GMP}}$  = 3.28 (from Table A)

$\text{G}_{\text{post88}}$  = 0.15 (from Table A)

Substituting these values into the formula above, we get

$$\begin{aligned} \text{AAPB} &= 95,000 + ([0 + (0.15 \times 0)] \times 3.28) \\ &= 95,000 + 0 \\ &= 95,000 \end{aligned}$$

#### Calculation of TPS

Past Service = 6 years 0 days (from H. above)

Potential Future Service = 55 years – 37 years = 18 years

TPS = Past Service + Potential Future Service = 24 years and 0 days

TPS is between 20 and 30 years and so the service credit is calculated in accordance with section 3.5

## Police Pension Scheme 1987: Calculation of service credits for incoming transfers

### Calculation of the value of one year's accrual

From 3.5.1 the cost of one year's accrual is:

$$1\text{yr}_B = [F_p + (0.5 \times F_{\text{sur}})] \times \text{PAY} \div 30$$

$$F_p = 22.57 \text{ (from Table A)}$$

$$F_{\text{sur}} = 3.93 \text{ (from Table A)}$$

$$\text{PAY} = 23,000 \text{ (from E. above)}$$

Substituting these values into the formula above, we get

$$\begin{aligned} 1\text{yr}_B &= [22.57 + (0.5 \times 3.93)] \times 23,000 \div 30 \\ &= [22.57 + 1.965] \times 23,000 \div 30 \\ &= 24.535 \times 23,000 \div 30 \\ &= 18,810.17 \end{aligned}$$

### Calculation of service credit

From 3.5.2 AAPB is sufficient to purchase a service credit of:

$$\text{AAPB} \div 1\text{yr}_B$$

From above we have

$$\text{AAPB} = 95,000$$

$$1\text{yr}_B = 18,810.17$$

Substituting these values into the formula above, we get

$$\begin{aligned} \text{Potential service credit} &= 95,000 \div 18,810.17 \\ &= 5.05 \text{ years} \\ &= 5 \text{ years } 19 \text{ days (rounding up to the nearest day)} \end{aligned}$$

From 3.5.3, the maximum service credit that can be purchased at this cost is 30 years less TPS, ie 6 years (30 years less 24 years).

The potential service credit is less than this so the service credit awarded is **5 years and 19 days**.

## Police Pension Scheme 1987: Calculation of service credits for incoming transfers

### Service credit in respect of section 9(2B) rights

From 2.8.1 the formula for the calculation of service credits in respect of section 9(2B) rights is:

$$SC \times TV_{\text{post97}} \div TV$$

From above we have

$$SC = 5.05 \text{ (5 years 19 days)}$$

$$TV_{\text{post97}} = 10,000 \text{ (from G.)}$$

$$TV = 95,000 \text{ (from F.)}$$

Substituting these values into the formula above, we get

Service credit in respect of section 9(2B) rights

$$= 5.05 \times 10,000 \div 95,000$$

$$= 0.532 \text{ years}$$

$$= 0 \text{ years 195 days (rounding up to the nearest day)}$$

#### 5.4 Member under age 55, TPS between 20 and 30 years (service credit exceeds the difference between TPS and 30 years)

The following information is needed for this calculation:

A. Member date of birth	17 December 1963
B. Relevant date	17 December 2012
C. Member age	49 years, 0 days
D. Gender	Male
E. Annual rate of Pensionable Pay in PPS	£55,000
F. Transfer Value from previous scheme	£120,000
G. TV in respect of section 9(2B) rights	£0
H. Reckonable service	23 years 0 days
I. Pre 6/4/88 GMP	£260
J. Post 6/4/88 GMP	£0
K. Have the figures in I & J been revalued?	Yes

#### Calculation of AAPB

From 3.1 the amount available for purchase of benefits (AAPB) is:

$$\text{AAPB} = \text{TV} + ([\text{PRE GMP} + (\text{G}_{\text{post88}} \times \text{POST GMP})] \times \text{F}_{\text{GMP}})$$

TV = 120,000 (from F. above)

PRE GMP = 260 (from I. above)

POST GMP = 0 (from J. above)

$\text{F}_{\text{GMP}}$  = 3.42 (from Table A)

$\text{G}_{\text{post88}}$  = 0.15 (from Table A)

Substituting these values into the formula above, we get

$$\begin{aligned} \text{AAPB} &= 120,000 + ([260 + (0.15 \times 0)] \times 3.42) \\ &= 120,000 + (260 \times 3.42) \\ &= 120,000 + 889.20 \\ &= 120,889.20 \end{aligned}$$

#### Calculation of TPS

Past Service = 23 years 0 days (from H. above)

Potential Future Service = 55 years – 49 years = 6 years

TPS = Past Service + Potential Future Service = 29 years and 0 days

TPS is greater than 20 years, and less than 30 years and so the service credit is calculated in accordance with section 3.5

## Police Pension Scheme 1987: Calculation of service credits for incoming transfers

### Calculation of the value of one year's accrual

From 3.5.1 the cost of one year's accrual is:

$$1\text{yr}_B = [F_p + (0.5 \times F_{\text{sur}})] \times \text{PAY} \div 30$$

$$F_p = 22.34 \text{ (from Table A)}$$

$$F_{\text{sur}} = 3.89 \text{ (from Table A)}$$

$$\text{PAY} = 55,000 \text{ (from E. above)}$$

Substituting these values into the formula above, we get

$$\begin{aligned} 1\text{yr}_B &= [22.34 + (0.5 \times 3.89)] \times 55,000 \div 30 \\ &= [22.34 + 1.945] \times 55,000 \div 30 \\ &= 24.285 \times 55,000 \div 30 \\ &= 44,522.50 \end{aligned}$$

### Calculation of service credit

From 3.5.2 AAPB is sufficient to purchase a service credit of:

$$\text{AAPB} \div 1\text{yr}_B$$

From above we have

$$\text{AAPB} = 120,889.20$$

$$1\text{yr}_B = 44,522.50$$

Substituting these values into the formula above, we get

$$\begin{aligned} \text{Potential service credit} &= 120,889.20 \div 44,522.50 \\ &= 2.715 \text{ years} \\ &= 2 \text{ years } 262 \text{ days (rounding up to the nearest day)} \end{aligned}$$

From 3.5.3, the maximum service credit that can be purchased at this cost is 30 years less TPS, ie 1 year (30 years less 29 years).

The potential service credit is greater than the maximum that can be purchased under section 3.5. Therefore, the maximum service credit (one year) is purchased under 3.5, with the balance of the AAPB being used to purchase further service under section 3.6 (assuming TPS of 30 years).



## Police Pension Scheme 1987: Calculation of service credits for incoming transfers

From 3.5.3 the new amount available for the purchase of benefits under section 3.6 is:

$$\text{NEW AAPB} = \text{AAPB} - [(30 - \text{TPS}) \times 1\text{yr}_B]$$

From above we have

$$\text{AAPB} = 120,889.20$$

$$\text{TPS} = 29$$

$$1\text{yr}_B = 44,522.50$$

Substituting these values into the formula above, we get

$$\begin{aligned} \text{NEW AAPB} &= 120,889.20 - [(30 - 29) \times 44,522.50] \\ &= 120,889.20 - [1 \times 44,522.50] \\ &= 120,889.20 - 44,522.50 \\ &= 76,366.70 \end{aligned}$$

From 3.6.1 the new cost of one year's accrual is:

$$1\text{yr}_C = \{[F_p + (0.5 \times F_{\text{sur}})] \times \text{PAY} \div 30 \times [1 + (\text{TPS} - 30) \times F_{\text{EP}}]\} \times [1 + (20 \times F_{\text{EP}})]$$

$$F_p = 22.34 \text{ (from above)}$$

$$F_{\text{sur}} = 3.89 \text{ (from above)}$$

$$\text{PAY} = 55,000 \text{ (from above)}$$

$$F_{\text{EP}} = 0.021 \text{ (from table A)}$$

$$\text{TPS} = 30 \text{ (under 3.5.3 we now assume that the member has TPS of 30 years)}$$

Substituting these into the formula above, we get

$$\begin{aligned} 1\text{yr}_C &= \{[22.34 + (0.5 \times 3.89)] \times 55,000 \div 30 \times [1 + (30 - 30) \times 0.021]\} \times [1 + (20 \times 0.021)] \\ &= \{[22.34 + 1.945] \times 55,000 \div 30 \times [1 + 0 \times 0.021]\} \times [1 + 0.42] \\ &= \{24.285 \times 55,000 \div 30 \times 1\} \times 1.42 \\ &= 63,221.95 \end{aligned}$$

From 3.6.2, NEW AAPB is sufficient to purchase a service credit of:

$$\text{New AAPB} \div 1\text{yr}_C$$

From above we have

$$\text{New AAPB} = 76,366.70$$

$$1\text{yr}_C = 63,221.95$$

## Police Pension Scheme 1987: Calculation of service credits for incoming transfers

Substituting these into the formula above, we get

Additional service credit

$$= 76,366.70 \div 63,221.95$$

$$= 1.208 \text{ years}$$

$$= 1 \text{ year and 76 days}$$

Therefore, the total service credit awarded is **2 years and 76 days** (1 year from section 3.5 and 1 year 76 days from section 3.6).

### **Service credit in respect of section 9(2B) rights**

The transfer value in respect of section 9(2B) rights is zero and so there is no service credit in respect of section 9(2B) rights.

## 5.5 Member under age 55, TPS greater than 30 years

The following information is needed for this calculation:

A. Member date of birth	23 July 1966
B. Relevant date	23 July 2012
C. Member age	46 years
D. Gender	Female
E. Annual rate of Pensionable Pay in PPS	£75,000
F. Transfer Value from previous scheme	£85,000
G. TV in respect of section 9(2B) rights	£0
H. Reckonable service	22 years
I. Pre 6/4/88 GMP	£520
J. Post 6/4/88 GMP	£0
K. Have the figures in I & J been revalued?	Yes

### Calculation of AAPB

From 3.1 the amount available for purchase of benefits (AAPB) is:

$$\text{AAPB} = \text{TV} + ([\text{PRE GMP} + (\text{G}_{\text{post88}} \times \text{POST GMP})] \times \text{F}_{\text{GMP}})$$

TV = 85,000 (from F. above)

PRE GMP = 520 (from I. above)

POST GMP = 0 (from J. above)

F<sub>GMP</sub> = 2.82 (from Table B)

G<sub>post88</sub> = 0.15 (from Table B)

Substituting these values into the formula above, we get

$$\begin{aligned} \text{AAPB} &= 85,000 + ([520 + (0.15 \times 0)] \times 2.82) \\ &= 85,000 + (520 \times 2.82) \\ &= 85,000 + 1,466.40 \\ &= 86,466.40 \end{aligned}$$

### Calculation of TPS

Past Service = 22 years (from H. above)

Potential Future Service = 55 years – 46 years = 9 years

TPS = Past Service + Potential Future Service = 31 years

TPS is greater than 30 years and so the service credit is calculated in accordance with section 3.6.

## Police Pension Scheme 1987: Calculation of service credits for incoming transfers

### Calculation of the value of one year's accrual

From 3.6.1 the cost of one year's accrual is:

$$1\text{yr}_C = \{[F_p + (0.5 \times F_{\text{sur}})] \times \text{PAY} \div 30 \times [1 + (\text{TPS} - 30) \times F_{\text{EP}}]\} \times [1 + (20 \times F_{\text{EP}})]$$

$F_p = 23.36$  (from Table B)

$F_{\text{sur}} = 1.85$  (from Table B)

$\text{PAY} = 75,000$  (from E. above)

$\text{TPS} = 31$  (from above)

$F_{\text{EP}} = 0.021$  (from Table B)

Substituting these values into the formula above, we get

$$\begin{aligned} 1\text{yr}_C &= \{[23.36 + (0.5 \times 1.85)] \times 75,000 \div 30 \times [1 + (31 - 30) \times 0.021]\} \times [1 + (20 \times 0.021)] \\ &= \{[23.36 + 0.925] \times 75,000 \div 30 \times [1 + 1 \times 0.021]\} \times [1 + 0.42] \\ &= \{24.285 \times 75,000 \div 30 \times [1 + 0.021]\} \times 1.42 \\ &= \{24.285 \times 75,000 \div 30 \times 1.021\} \times 1.42 \\ &= 88,022.20 \end{aligned}$$

### Calculation of service credit

From 3.6.2 AAPB is sufficient to purchase a service credit of:

$$\text{AAPB} \div 1\text{yr}_C$$

From above we have

$$\text{AAPB} = 86,466.40$$

$$1\text{yr}_A = 88,022.20$$

Substituting these values into the formula above, we get

Potential service credit

$$= 86,466.40 \div 88,022.20$$

$$= 0.982 \text{ years}$$

$$= 0 \text{ years } 359 \text{ days (rounding up to the nearest day)}$$

The service credit awarded is **0 years 359 days**.

### Service credit in respect of section 9(2B) rights

The transfer value in respect of section 9(2B) rights is zero and so there is no service credit in respect of section 9(2B) rights.

## Police Pension Scheme 1987: Calculation of service credits for incoming transfers

### 5.6 Member above age 55, SER less than 20 years

The following information is needed for this calculation:

A. Member date of birth	2 January 1956
B. Relevant date	2 January 2013
C. Member age	57 years, 0 days
D. Gender	Male
E. Annual rate of Pensionable Pay in PPS	£75,000
F. Transfer Value from previous scheme	£255,000
G. TV in respect of section 9(2B) rights	£0
H. Reckonable service	9 years
I. Pre 6/4/88 GMP	£0
J. Post 6/4/88 GMP	£520
K. Have the figures in I & J been revalued?	Yes

### Calculation of AAPB

From 4.1 the amount available for purchase of benefits (AAPB) is:

$$\text{AAPB} = \text{TV} + ([\text{PRE GMP} + (\text{G}_{\text{post88}} \times \text{POST GMP})] \times \text{F}_{\text{GMP}})$$

TV = 255,000 (from F. above)

PRE GMP = 0 (from I. above)

POST GMP = 520 (from J. above)

$\text{F}_{\text{GMP}}$  = 3.54 (from Table A)

$\text{G}_{\text{post88}}$  = 0.15 (from Table A)

Substituting these values into the formula above, we get

$$\begin{aligned} \text{AAPB} &= 255,000 + ([0 + (0.15 \times 520)] \times 3.54) \\ &= 255,000 + (78 \times 3.54) \\ &= 255,000 + 276.12 \\ &= 255,276.12 \end{aligned}$$

Service is less than 20 years and so the service credit is calculated in accordance with section 4.4.

### Calculation of the value of one year's accrual

From 4.4.1 the cost of one year's accrual is:

$$1\text{yr}_A = [\text{F}_p + (0.5 \times \text{F}_{\text{sur}})] \times \text{PAY} \div 60$$

$\text{F}_p$  = 21.18 (from Table A)

$\text{F}_{\text{sur}}$  = 3.85 (from Table A)

PAY = 75,000 (from E. above)

## Police Pension Scheme 1987: Calculation of service credits for incoming transfers

Substituting these values into the formula above, we get

$$\begin{aligned} 1\text{yr}_A &= [21.18 + (0.5 \times 3.85)] \times 75,000 \div 60 \\ &= [21.18 + 1.925] \times 75,000 \div 60 \\ &= 23.105 \times 75,000 \div 60 \\ &= 28,881.25 \end{aligned}$$

### Calculation of service credit

From 4.4.2 AAPB is sufficient to purchase a service credit of:

$$\text{AAPB} \div 1\text{yr}_A$$

From above we have

$$\text{AAPB} = 255,276.12$$

$$1\text{yr}_A = 28,881.25$$

Substituting these values into the formula above, we get

Potential service credit

$$\begin{aligned} &= 255,276.12 \div 28,881.25 \\ &= 8.839 \text{ years} \\ &= 8 \text{ years } 307 \text{ days (rounding up to the nearest day)} \end{aligned}$$

From 4.4.3, the maximum service credit that can be purchased at this cost is 20 years less SER, ie 11 years 0 days (20 years less 9 years).

The potential service credit is less than this so the service credit awarded is **8 years 307 days**.

### Service credit in respect of section 9(2B) rights

The transfer value in respect of section 9(2B) rights is zero and so there is no service credit in respect of section 9(2B) rights.

## Police Pension Scheme 1987: Calculation of service credits for incoming transfers

### 5.7 Member above age 55, SER less than 20 years (service credit exceeds the difference between TPS and 20 years)

The following information is needed for this calculation:

A. Member date of birth	20 April 1959
B. Relevant date	20 October 2014
C. Member age	55 years, 183 days
D. Gender	Male
E. Annual rate of Pensionable Pay in PPS	£50,000
F. Transfer Value from previous scheme	£275,000
G. TV in respect of section 9(2B) rights	n/a
H. Reckonable service	15 years 0 days
I. Pre 6/4/88 GMP	£0
J. Post 6/4/88 GMP	£0
K. Have the figures in I & J been revalued?	n/a

#### Calculation of AAPB

From 4.1 the amount available for purchase of benefits (AAPB) is:

$$\text{AAPB} = \text{TV} + ([\text{PRE GMP} + (\text{G}_{\text{post88}} \times \text{POST GMP})] \times \text{F}_{\text{GMP}})$$

TV = 275,000 (from F. above)

PRE GMP = 0 (from I. above)

POST GMP = 0 (from J. above)

F<sub>GMP</sub> = 3.50 (from Table A)

G<sub>post88</sub> = 0.15 (from Table A)

Substituting these values into the formula above, we get

$$\begin{aligned} \text{AAPB} &= 275,000 + ([0 + (0.15 \times 0)] \times 3.50) \\ &= 275,000 + 0 \\ &= 275,000 \end{aligned}$$

Service is less than 20 years and so the service credit is calculated in accordance with section 4.4.

#### Calculation of the value of one year's accrual

From 4.4.1 the cost of one year's accrual is:

$$1\text{yr}_A = [\text{F}_p + (0.5 \times \text{F}_{\text{sur}})] \times \text{PAY} \div 60$$

F<sub>p</sub> = 22.01 (from Table A)

F<sub>sur</sub> = 3.71 (from Table A)

PAY = 50,000 (from E. above)

## Police Pension Scheme 1987: Calculation of service credits for incoming transfers

Substituting these values into the formula above, we get

$$\begin{aligned} 1\text{yr}_A &= [22.01 + (0.5 \times 3.71)] \times 50,000 \div 60 \\ &= [22.01 + 1.855] \times 50,000 \div 60 \\ &= 23.865 \times 50,000 \div 60 \\ &= 19,887.50 \end{aligned}$$

### Calculation of service credit

From 4.4.2 AAPB is sufficient to purchase a service credit of:

$$\text{AAPB} \div 1\text{yr}_A$$

From above we have

$$\text{AAPB} = 275,000$$

$$1\text{yr}_A = 19,887.50$$

Substituting these values into the formula above, we get

Potential service credit

$$\begin{aligned} &= 275,000 \div 19,887.50 \\ &= 13.828 \text{ years} \\ &= 13 \text{ years } 303 \text{ days (rounding up to the nearest day)} \end{aligned}$$

From 4.4.3, the maximum service credit that can be purchased at this cost is 20 years less Service, ie 5 years 0 days (20 years less 15 years 0 days).

The potential service credit is greater than the maximum that can be purchased under section 4.4. Therefore, the maximum service credit (5 years) is purchased under 4.4, with the balance of the AAPB being used to purchase further service under section 4.5 (assuming TPS of 20 years).

From 4.4.3 the new amount available for the purchase of benefits under section 4.5 is:

$$\text{NEW AAPB} = \text{AAPB} - [(20 - \text{Service}) \times 1\text{yr}_A]$$

From above we have

$$\text{AAPB} = 275,000$$

$$\text{Service} = 15 \text{ years}$$

$$1\text{yr}_A = 19,887.50$$



## Police Pension Scheme 1987: Calculation of service credits for incoming transfers

Substituting these values into the formula above, we get

$$\begin{aligned}\text{NEW AAPB} &= 275,000 - [(20 - 15) \times 19,887.50] \\ &= 275,000 - [5 \times 19,887.50] \\ &= 275,000 - 99,437.50 \\ &= 175,562.50\end{aligned}$$

From 4.5.1 the new cost of one year's accrual is:

$$1\text{yr}_B = [F_P + (0.5 \times F_{\text{SUR}})] \times \text{PAY} \div 30$$

$$F_P = 22.01 \text{ (from above)}$$

$$F_{\text{SUR}} = 3.71 \text{ (from above)}$$

$$\text{PAY} = 50,000 \text{ (from above)}$$

Substituting these into the formula above, we get

$$\begin{aligned}1\text{yr}_B &= [22.01 + (0.5 \times 3.71)] \times 50,000 \div 30 \\ &= [22.01 + 1.855] \times 50,000 \div 30 \\ &= 23,865 \times 50,000 \div 30 \\ &= 39,775.00\end{aligned}$$

From 4.5.2, NEW AAPB is sufficient to purchase a service credit of:

$$\text{New AAPB} \div 1\text{yr}_B$$

From above we have

$$\text{New AAPB} = 175,562.50$$

$$1\text{yr}_B = 39,775.00$$

Substituting these into the formula above, we get

$$\begin{aligned}\text{Additional service credit} &= 175,562.50 \div 39,775.00 \\ &= 4.414 \text{ years} \\ &= 4 \text{ years and 152 days}\end{aligned}$$

Therefore, the total service credit awarded is **9 years and 152 days** (5 years from section 4.4 and 4 years 152 days from section 4.5).

### Service credit in respect of section 9(2B) rights

The transfer value in respect of section 9(2B) rights is zero and so there is no service credit in respect of section 9(2B) rights.

## Police Pension Scheme 1987: Calculation of service credits for incoming transfers

### 5.8 Member above age 55, SER greater than 20 years

The following information is needed for this calculation:

A. Member date of birth	19 February 1956
B. Relevant date	19 February 2013
C. Member age	57 years, 0 days
D. Gender	Male
E. Annual rate of Pensionable Pay in PPS	£125,000
F. Transfer Value from previous scheme	£10,000
G. TV in respect of section 9(2B) rights	£0
H. Reckonable service	21 years 0 days
I. Pre 6/4/88 GMP	£0
J. Post 6/4/88 GMP	£0
K. Have the figures in I & J been revalued?	n/a

### Calculation of AAPB

From 4.1 the amount available for purchase of benefits (AAPB) is:

$$\text{AAPB} = \text{TV} + ([\text{PRE GMP} + (\text{G}_{\text{post88}} \times \text{POST GMP})] \times \text{F}_{\text{GMP}})$$

TV = 10,000 (from F. above)

PRE GMP = 0 (from I. above)

POST GMP = 0 (from J. above)

F<sub>GMP</sub> = 3.54 (from Table A)

G<sub>post88</sub> = 0.15 (from Table A)

Substituting these values into the formula above, we get

$$\begin{aligned} \text{AAPB} &= 10,000 + ([0 + (0.15 \times 0)] \times 3.54) \\ &= 10,000 + 0 \\ &= 10,000 \end{aligned}$$

Service is greater than 20 years and so the service credit is calculated in accordance with section 4.5.

### Calculation of the value of one year's accrual

From 4.5.1 the cost of one year's accrual is:

$$1\text{yr}_B = [\text{F}_p + (0.5 \times \text{F}_{\text{sur}})] \times \text{PAY} \div 30$$

F<sub>p</sub> = 21.18 (from Table A)

F<sub>sur</sub> = 3.85 (from Table A)

PAY = 125,000 (from E. above)

## Police Pension Scheme 1987: Calculation of service credits for incoming transfers

Substituting these values into the formula above, we get

$$\begin{aligned}1yr_B &= [21.18 + (0.5 \times 3.85)] \times 125,000 \div 30 \\&= [21.18 + 1.925] \times 125,000 \div 30 \\&= 23.105 \times 125,000 \div 30 \\&= 96,270.83\end{aligned}$$

### Calculation of service credit

From 4.5.2 AAPB purchases a service credit of:

$$AAPB \div 1yr_B$$

From above we have

$$AAPB = 10,000.00$$

$$1yr_B = 96,270.83$$

Substituting these values into the formula above, we get

Service credit

$$\begin{aligned}&= 10,000.00 \div 96,270.83 \\&= 0.104 \text{ years} \\&= 0 \text{ years } 38 \text{ days (rounding up to the nearest day)}\end{aligned}$$

Therefore the total service credit awarded is **0 years and 38 days**.

### Service credit in respect of section 9(2B) rights

The transfer value in respect of section 9(2B) rights is zero and so there is no service credit in respect of section 9(2B) rights.

Police Pension Scheme 1987: Calculation of service credits for incoming transfers

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Police Pension Scheme 1987: Calculation of service credits for incoming transfers

**Table A: Statutory CETV incoming transfer service credit factors (Males)**

Age last birthday at relevant date	Gross Pension of £1 pa	Survivor's Pension of £1 pa	Deduction for GMP <sup>1</sup> of £1 pa	Adjustment for Early Payment
25	23.84	4.02	3.16	0.019
26	23.74	4.02	3.17	0.019
27	23.64	4.01	3.18	0.019
28	23.54	4.01	3.19	0.019
29	23.44	4.00	3.20	0.020
30	23.34	4.00	3.21	0.020
31	23.24	4.00	3.22	0.020
32	23.14	3.99	3.23	0.020
33	23.05	3.99	3.24	0.020
34	22.95	3.98	3.25	0.020
35	22.82	3.97	3.26	0.020
36	22.70	3.95	3.27	0.020
37	22.57	3.93	3.28	0.020
38	22.45	3.92	3.29	0.020
39	22.44	3.92	3.30	0.020
40	22.43	3.92	3.31	0.020
41	22.42	3.92	3.32	0.020
42	22.41	3.92	3.33	0.021
43	22.40	3.91	3.35	0.021
44	22.39	3.91	3.36	0.021
45	22.38	3.91	3.37	0.021
46	22.37	3.91	3.38	0.021
47	22.36	3.91	3.39	0.021
48	22.35	3.90	3.41	0.021
49	22.34	3.89	3.42	0.021
50	22.33	3.87	3.43	0.021
51	22.32	3.86	3.44	0.022
52	22.31	3.85	3.46	0.022
53	22.31	3.84	3.47	0.022
54	22.29	3.82	3.49	0.022
55	22.01	3.71	3.50	n/a
56	21.59	3.78	3.52	n/a
57	21.18	3.85	3.54	n/a
58	20.74	3.91	3.56	n/a
59	20.30	3.97	3.58	n/a
60	19.86	4.02	3.60	n/a
61	19.41	4.08	3.63	n/a
62	18.95	4.12	3.65	n/a

<sup>1</sup> When calculating the deduction for GMP, the factor given should be applied to the sum of the GMP amount in respect of service up to 5 April 1988 and 15% of the GMP amount in respect of service after that date.

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**Table B: Statutory CETV incoming transfer service credit factors (Females)**

Age last birthday at relevant date	Gross Pension of £1 pa	Survivor's Pension of £1 pa	Deduction for GMP <sup>1</sup> of £1 pa	Adjustment for Early Payment
25	24.63	1.92	2.65	0.019
26	24.54	1.92	2.66	0.019
27	24.46	1.91	2.67	0.019
28	24.38	1.91	2.67	0.019
29	24.30	1.91	2.68	0.019
30	24.21	1.91	2.69	0.019
31	24.13	1.91	2.70	0.019
32	24.05	1.91	2.70	0.020
33	23.96	1.90	2.71	0.020
34	23.88	1.90	2.72	0.020
35	23.76	1.89	2.73	0.020
36	23.63	1.88	2.74	0.020
37	23.51	1.87	2.74	0.020
38	23.39	1.86	2.75	0.020
39	23.38	1.86	2.76	0.020
40	23.38	1.86	2.77	0.020
41	23.38	1.86	2.78	0.020
42	23.37	1.86	2.79	0.020
43	23.37	1.86	2.79	0.020
44	23.37	1.85	2.80	0.021
45	23.36	1.85	2.81	0.021
46	23.36	1.85	2.82	0.021
47	23.36	1.83	2.83	0.021
48	23.35	1.82	2.84	0.021
49	23.35	1.81	2.85	0.021
50	23.35	1.80	2.86	0.021
51	23.34	1.79	2.87	0.021
52	23.32	1.78	2.88	0.021
53	23.30	1.77	2.90	0.022
54	23.28	1.75	2.91	0.022
55	23.01	1.67	2.92	n/a
56	22.62	1.68	2.94	n/a
57	22.23	1.69	2.95	n/a
58	21.84	1.69	2.97	n/a
59	21.43	1.69	3.05	n/a
60	21.01	1.69	3.16	n/a
61	20.59	1.69	3.25	n/a
62	20.15	1.69	3.35	n/a

<sup>1</sup> When calculating the deduction for GMP, the factor given should be applied to the sum of the GMP amount in respect of service up to 5 April 1988 and 15% of the GMP amount in respect of service after that date.