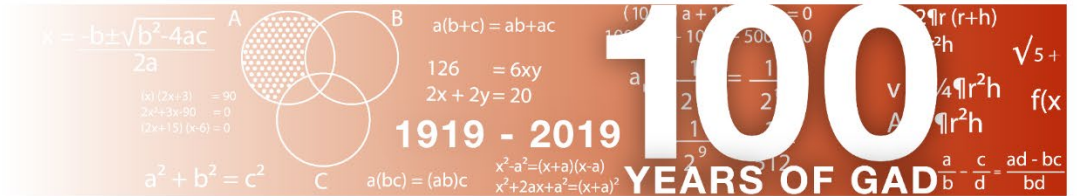# The Firefighters' Pension Scheme 2015 (England)

Individual Cash Equivalent Transfers

Factors and guidance

Date: 30 January 2020

Table of Contents

1   Introduction

1.1   This note is provided for the Home Office (HO) as scheme manager of the Firefighters' Pension Schemes in England. This note relates to cash equivalent transfer values payable or receivable in accordance with Part 10, Chapters 2 and 3 of the 2015 Scheme Regulations. The document sets out the general methods for assessing

- Statutory (non-Club) cash equivalent transfer values; and
- The benefits to be provided in respect of incoming (non-club) CETVs

1.2   The Secretary of State, as responsible authority under Schedule 2 paragraph 6 of the Public Service Pension Act 2013 ('the responsible authority') is required under the Firefighters' Pension Scheme (England) Regulations 2014 ('the 2015 Scheme Regulations') (SI 2014/2848), to issue actuarial guidance on cash equivalent transfer values (regulation 137(1) of the 2015 Scheme Regulations).

1.3   The guidance and factors provided in this note have been prepared in light of our advice to Home Office dated 30 October 2018 and its instructions following that advice.

1.4   The actuarial factors in this note come into force from 29 October 2018.

1.5   This guidance is intended to supersede any factors or advice previously issued, for the purposes of cash equivalent transfer value calculations, which rely on input from the Scheme Actuary. In particular, this guidance supersedes:

"The Firefighters' Pension Scheme 2015 (England): Actuarial factors for Individual Cash Equivalent Transfers from 1 April 2015" dated 17 April 2015,

"The Firefighters' Pension Scheme 2015 (England): Individual Cash Equivalent Transfers" dated 2 June 2015 and

Addendum to GAD guidance note " The Firefighters' Pension scheme (England) 2015: Individual Cash Equivalent Transfers" dated 13 May 2016

1.6   The remainder of this introduction contains:

- Details of the implementation and future review of this guidance
- Statements about the use of this note and third party reliance

1.7   In the remainder of this note:

- Sections 2, 3 and 4 describe the issues and set out the formulae
- Section 5 contains examples
- Appendix A sets out the factor tables

- Appendix B sets out the principal assumptions underlying the factors contained in this guidance note

- Appendix C sets out some important limitations

1.8 In previous factors and guidance, an adjustment was applied to GMP to reflect the inflationary increases on the GMP, which were the responsibility of the State Scheme after GMP Payment Age. Following the requirement to equalise GMPs as set out in our letter "GMP Equalisation: Calculations involving actuarial factors" dated 9 August 2019 the GMP adjustment factor has been removed from the calculation methodology for all members reaching State Pension age after 6 April 2016 with effect from the date of receipt of this guidance note.

1.9 Our understanding of the usual transitional arrangements for Cash Equivalent Transfer Values is that quotes are made using factors effective at that time. Therefore, where calculations are carried out before the date of receipt of this guidance note we would expect the following to apply:

- If the member replies within the guarantee period and before the implementation date, the original quote is honoured including the adjustment applied to GMP.

- If the member replies within the guarantee period but after implementation date, the approach most beneficial to member are used.

- If the member replies outside of the guarantee period, the CETV is recalculated. No adjustment is made in respect of GMP.

1.10 Our understanding of the usual transitional arrangements for transfer in calculations is that quotes are made using factors effective at that time. Therefore, we suggest the following transitional arrangements could be reasonable for transfer in calculations:

- Where the transfer in has been completed before the effective date of the new approach, this original credit should be honoured. Furthermore, transfer in quotations provided before the effective date of the new approach could remain valid where monies are received within one year of a member's starting date. As noted previously, this is pending any decision to subsequently take retrospective action on completed cases.

- For any other quotations in progress after the effective date of the new approach, this new approach would be used for the calculation.

1.11 We are recommending that the new approach in respect of GMP entitlements is implemented from the date of receipt of each of our updated guidance notes.

1.12 Any current cases where a CETV or transfer in quotation is required for a member with GMP reaching State Pension age before 6 April 2016 should be referred to GAD.

Implementation and Review

1.13   The responsible authority is required to consult the scheme actuary before issuing actuarial guidance under the 2015 Scheme Regulations.

1.14   As part of this consultation the responsible authority has asked GAD, as scheme actuary, to recommend actuarial guidance in respect of the regulations detailed below. This document forms GAD's recommendation for the actuarial guidance required by these regulations.

1.15   The responsible authority has confirmed that, for the purposes of regulations made under section 97 (calculation of cash equivalents) of the Pension Schemes Act 1993, the responsible authority will assume the role of manager of the scheme.

1.16   This note has effect only when this guidance is issued by the responsible authority to scheme managers as defined in regulation 4 of the 2015 Scheme Regulations and is subject to the implementation instructions provided at that time.

1.17   This document does not cover Club transfers or details relating to calculation and application of CETV's on divorce.

1.18   This guidance relates only to benefits accrued under the 2015 Scheme Regulations. Some firefighters may also have benefits under the 1992 Scheme or the NFPS which should be dealt with separately according to relevant scheme guidance.

1.19   The factors contained in this guidance will apply from 29 October 2018. This guidance will apply with immediate effect upon receipt of the respective guidance.

1.20   This guidance has been written for pension administrators and assumes some knowledge of general pension terminology, and some familiarity with retirement calculations for the Firefighters' Pension Scheme. Any questions concerning the application of the guidance should, in the first instance, be referred to the Firefighters' Pensions team at the Home Office.

1.21   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.

1.22   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.

Government Actuary's Department

Third party reliance

1.23   This guidance has been prepared for the use of the Home Office and the scheme administrators for the purposes of demonstrating the application of the factors covered by this guidance only. This guidance may be published on the Home Office 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.

1.24   Other than the Home Office and 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   Transfers Out – general issues

Entitlement to transfer

2.1   A transfer value may only be paid in accordance with regulation 133 of the 2015 Scheme Regulations and the provisions of the Pension Schemes Act 1993.

Guarantee date

2.2   The relevant date for calculating a transfer value is the "guarantee date" as defined in The Occupational Pension Schemes (Transfer Values) Regulations 1996.

2.3   A transfer value should be guaranteed for three months from the guarantee date. If a request to pay the transfer value is made within three months of the guarantee date, it will not be necessary to recalculate the transfer value, provided the payment is made within 6 months of the guarantee date. If the payment is not made within that time, administrators must, for a CETV in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 1996, pay the larger of:

a)   the recalculated transfer amount as at the date of payment, and

b)   the original amount, increased with interest for the period between the guarantee date and the date of payment, calculated on a daily basis at an annual rate of 1% above base rate.

Calculation of pension benefits

2.4   The benefits to be valued for serving firefighters are those that would be payable if the member had left service on the date of the calculation.

2.5   The benefits to be valued for a deferred member should include revaluation to the guarantee date. The accrued pension benefits should be calculated at the last day of service, and then increased in line with Pensions Increase (Review) Orders.

Survivor's pension

2.6   The pension amount and factor for the survivor's pension do not depend on whether or not the member has a partner who would qualify for a survivor's pension in the event of the member's death.

Changes to pension ages

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

2.8   For the purpose of calculating transfer value factors, a member's expected NPA in the alpha section is as defined in legislation. Factors are provided to accommodate the range of deferred pension ages members will have in relation to service on and after 1 April 2015.

Non-Integer NPAs

2.9   Where a member has a non-integer normal pension age, then factors should be interpolated using the same method as used for calculating transfer payments for the purposes of The Public Sector Transfer Club.

For example, for a member with a normal pension age of 66 years and 5 months the main pension factor would be:

$$\left(\frac{7}{12}\right) * Factor\ at\ NPA\ 66 + \left(\frac{5}{12}\right) * Factor\ at\ NPA\ 67$$

Pension debit or offset members

2.10   For members with a pension debit resulting from divorce and/or a pension offset resulting from a "Scheme Pays" election, the transfer value is calculated in two stages as described in paragraph 2.11.

2.11   First, a gross transfer value should be calculated ignoring the pension debit and/or the pension offset. Second, the value of the pension debit and/or pension offset should be calculated (i.e. the transfer value of a deferred pension of the same amount as the pension debit or offset applicable at deferred pension age). The transfer value quoted and paid is the net amount: the gross transfer value less the value of the pension debit and/or offset.

2.12   The results of each element of the calculation in 2.11 should be passed to the receiving scheme. The transfer value paid is the net amount: the gross transfer value less the value of the pension debit and/or offset.

Partial retirement

2.13   A member may be receiving pension benefits whilst still accruing further benefits, for example after exercise of a partial retirement option. If such a member leaves service and requests a CETV (for the purposes of transferring a pension, not for divorce purposes) then the CETV should allow only for the deferred benefits but not the benefits in payment. The benefits in payment may not be transferred and would only be considered when calculating a CETV for divorce purposes.

Transfers to other fire authorities

2.14   Where a member takes up employment with a different fire authority within England, (but not one within Scotland, Wales or Northern Ireland) Part 10, Chapter 4 of the 2015 Scheme Regulations provides, in certain circumstances and under certain conditions, for the member's pension account to be transferred between the relevant fire authorities. If a member's pension account is transferred in this way, there is no requirement to calculate a transfer value or to make a transfer payment. The calculation of a transferred pension credit by the receiving authority is not required

3   Statutory CETV transfers out

3.1   The formula for calculating a statutory CETV transfer value is given below.

3.2   Tables are provided for the range of deferred pension ages which apply to members accruing benefits under the 2015 Scheme regulations. The factors should be selected according to the member's age last birthday and deferred pension age.

3.3   If a member has a non-integer pension age then more than one factor is required and these factors are interpolated to obtain the actual factor to use.

$$CETV = (P \times F_x^P + S \times F_x^S)$$

where:

P =   member's deferred pension at the relevant date

S =   partner's pension at the relevant date

F_x^p =   member's pension factor for a member aged x last birthday at the relevant date, taken from Tables 3 to 10 depending on the member's deferred pension age (factors are unisex).

F_x^S =   partner's pension factor for a member aged x last birthday at the relevant date, taken from Tables 3 to 10 depending on the member's deferred pension age (factors are unisex).

4 Non-Club Transfers in

4.1 A member may request that a transfer payment be accepted from another pension scheme. The request must be made no later than one year before the member reaches normal pension age. A request for a transfer payment from a non-occupational pension scheme must also be made within one year of joining, or such other period as the scheme manager may allow.

4.2 The responsible authority has confirmed that a transfer from another fire authority in Scotland, Wales or Northern Ireland should be treated as a Club transfer where the Club conditions are met otherwise the transfer should be treated as a non-Club transfer.

Benefits provided

4.3 Non-Club transfers received by the Scheme will be applied to provide an amount of transferred pension credit of the same form as earned pension. The transferred pension credit will be added to the active member's account in accordance with regulation 34. Non-Club transferred pension will be revalued in line with ordinary earned pension.

Calculation of transferred pension credit

4.4 The formula for calculating a non-Club transferred pension credit is given below.

4.5 The factors should be selected according to the member's age last birthday.

$$Transferred\ Pension = CETV \div (F_x^P + 0.5 \times F_x^S)$$

where:

$CETV$ = non-Club transfer payment received

F_x^p = member's pension factor for a member aged x last birthday at the relevant date taken from the tables NM60 or NF60 (factors are unisex)

F_x^S = partner's pension factor for a member aged x last birthday at the relevant date, taken from the tables NM60 or NF60 (factors are unisex).

5 Example calculations

Example 1: CETV for a male

- Date of birth   18/08/1960
- Sex   Male
- Deferred Pension age   66 years 5 months
- Amount of deferred pension   £560
- Amount of deferred partner's pension   £280
- Calculation date   15/04/2019

- Age last birthday   58
- Pension factor   13.13
- Survivor's pension factor   3.48
- CETV $= [(£560 * 13.13 + £280 * 3.48)]$

    $= £8,327.20$

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

Factor at DPA 66 years 5 months

$$= \left(\frac{7}{12}\right) * Factor\ at\ DPA\ 66 + \left(\frac{5}{12}\right) * Factor\ at\ DPA\ 67$$

Example 2: Non-Club transfer in for a male

- Date of birth   18/08/1974

- Sex   Male

- Normal Pension age   60 years

- Amount of CETV   £15,600

- Calculation date   15/04/2020

- Age last birthday   45

- Pension factor   19.51

- Survivor's pension factor   3.92

$$Transferred\ Pension = 15,600.00 \div (19.51 + 0.5 \times 3.92)$$
$$= £726.60$$

Appendix A - Factor tables
CETV transfer out factors based on DPA65
Table 3 (Table 208 in the consolidated factors spreadsheet) – Males (DPA 65) [1]

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
16	5.85	1.29
17	5.97	1.40
18	6.10	1.51
19	6.23	1.59
20	6.36	1.63
21	6.49	1.67
22	6.62	1.71
23	6.76	1.75
24	6.90	1.80
25	7.05	1.84
26	7.19	1.89
27	7.35	1.93
28	7.50	1.98
29	7.66	2.02
30	7.82	2.07
31	7.98	2.12
32	8.15	2.17
33	8.32	2.22
34	8.49	2.27
35	8.67	2.32
36	8.85	2.37
37	9.04	2.42
38	9.23	2.47
39	9.43	2.52
40	9.63	2.57
41	9.84	2.62
42	10.05	2.67
43	10.26	2.72
44	10.48	2.77
45	10.71	2.82
46	10.94	2.87
47	11.18	2.92
48	11.42	2.97
49	11.67	3.03
50	11.93	3.08
51	12.19	3.13
52	12.46	3.18
53	12.74	3.23
54	13.03	3.28
55	13.32	3.33
56	13.63	3.38
57	13.95	3.42
58	14.28	3.46
59	14.62	3.50
60	14.98	3.53
61	15.35	3.56
62	15.74	3.59
63	16.15	3.61
64	16.58	3.63
65	16.51	3.65

[1] As noted in paragraph 1.8, the GMP adjustment factor has been removed from the calculation methodology.

Factors for valuing immediate benefit payment:

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
66	15.93	3.68
67	15.35	3.70
68	14.77	3.72
69	14.19	3.69
70	13.62	3.65
71	13.05	3.66
72	12.47	3.66
73	11.90	3.65
74	11.32	3.52

Table 4 (Table 209 in the consolidated factors spreadsheet) – Females (DPA 65) [2]

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
16	5.85	1.29
17	5.97	1.40
18	6.10	1.51
19	6.23	1.59
20	6.36	1.63
21	6.49	1.67
22	6.62	1.71
23	6.76	1.75
24	6.90	1.80
25	7.05	1.84
26	7.19	1.89
27	7.35	1.93
28	7.50	1.98
29	7.66	2.02
30	7.82	2.07
31	7.98	2.12
32	8.15	2.17
33	8.32	2.22
34	8.49	2.27
35	8.67	2.32
36	8.85	2.37
37	9.04	2.42
38	9.23	2.47
39	9.43	2.52
40	9.63	2.57
41	9.84	2.62
42	10.05	2.67
43	10.26	2.72
44	10.48	2.77
45	10.71	2.82
46	10.94	2.87
47	11.18	2.92
48	11.42	2.97
49	11.67	3.03
50	11.93	3.08
51	12.19	3.13
52	12.46	3.18
53	12.74	3.23
54	13.03	3.28
55	13.32	3.33
56	13.63	3.38
57	13.95	3.42
58	14.28	3.46
59	14.62	3.50
60	14.98	3.53
61	15.35	3.56
62	15.74	3.59
63	16.15	3.61
64	16.58	3.63
65	16.51	3.65
66	15.93	3.68

[2] As noted in paragraph 1.8, the GMP adjustment factor has been removed from the calculation methodology.

Factors for valuing immediate benefit payment:

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
67	15.35	3.70
68	14.77	3.72
69	14.19	3.69
70	13.62	3.65
71	13.05	3.66
72	12.47	3.66
73	11.90	3.65
74	11.32	3.52

CETV transfer factors based on DPA66

Table 5 (Table 210 in the consolidated factors spreadsheet) – Males (DPA 66) [3]

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
16	5.55	1.29
17	5.67	1.40
18	5.79	1.52
19	5.91	1.60
20	6.03	1.64
21	6.15	1.68
22	6.28	1.72
23	6.41	1.76
24	6.54	1.80
25	6.68	1.85
26	6.82	1.89
27	6.96	1.94
28	7.10	1.98
29	7.25	2.03
30	7.40	2.08
31	7.56	2.13
32	7.71	2.17
33	7.88	2.22
34	8.04	2.27
35	8.21	2.32
36	8.38	2.37
37	8.55	2.42
38	8.73	2.47
39	8.92	2.53
40	9.11	2.58
41	9.30	2.63
42	9.50	2.68
43	9.70	2.73
44	9.91	2.78
45	10.12	2.83
46	10.34	2.88
47	10.56	2.93
48	10.79	2.99
49	11.02	3.04
50	11.26	3.09
51	11.51	3.14
52	11.76	3.20
53	12.02	3.25
54	12.29	3.30
55	12.57	3.35
56	12.86	3.39
57	13.15	3.44
58	13.46	3.48
59	13.78	3.51
60	14.12	3.55
61	14.47	3.58
62	14.83	3.61
63	15.22	3.63
64	15.62	3.65
65	16.04	3.66
66	15.97	3.68

[3] As noted in paragraph 1.8, the GMP adjustment factor has been removed from the calculation methodology.

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Department**

Factors for valuing immediate benefit payment:

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
67	15.38	3.70
68	14.79	3.72
69	14.20	3.69
70	13.62	3.65
71	13.05	3.66
72	12.47	3.66
73	11.90	3.65
74	11.32	3.52

Table 6 (Table 211 in the consolidated factors spreadsheet) – Females (DPA66) [4]

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
16	5.55	1.29
17	5.67	1.40
18	5.79	1.52
19	5.91	1.60
20	6.03	1.64
21	6.15	1.68
22	6.28	1.72
23	6.41	1.76
24	6.54	1.80
25	6.68	1.85
26	6.82	1.89
27	6.96	1.94
28	7.10	1.98
29	7.25	2.03
30	7.40	2.08
31	7.56	2.13
32	7.71	2.17
33	7.88	2.22
34	8.04	2.27
35	8.21	2.32
36	8.38	2.37
37	8.55	2.42
38	8.73	2.47
39	8.92	2.53
40	9.11	2.58
41	9.30	2.63
42	9.50	2.68
43	9.70	2.73
44	9.91	2.78
45	10.12	2.83
46	10.34	2.88
47	10.56	2.93
48	10.79	2.99
49	11.02	3.04
50	11.26	3.09
51	11.51	3.14
52	11.76	3.20
53	12.02	3.25
54	12.29	3.30
55	12.57	3.35
56	12.86	3.39
57	13.15	3.44
58	13.46	3.48
59	13.78	3.51
60	14.12	3.55
61	14.47	3.58
62	14.83	3.61
63	15.22	3.63
64	15.62	3.65
65	16.04	3.66
66	15.97	3.68

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[4] As noted in paragraph 1.8, the GMP adjustment factor has been removed from the calculation methodology.

Factors for valuing immediate benefit payment:

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
67	15.38	3.70
68	14.79	3.72
69	14.20	3.69
70	13.62	3.65
71	13.05	3.66
72	12.47	3.66
73	11.90	3.65
74	11.32	3.52

CETV transfer factors based on DPA67

Table 7 (Table 212 in the consolidated factors spreadsheet) – Males (DPA 67) [5]

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
16	5.26	1.30
17	5.37	1.41
18	5.48	1.52
19	5.60	1.60
20	5.71	1.64
21	5.83	1.68
22	5.95	1.72
23	6.07	1.77
24	6.20	1.81
25	6.32	1.85
26	6.45	1.90
27	6.59	1.94
28	6.72	1.99
29	6.86	2.04
30	7.00	2.08
31	7.15	2.13
32	7.29	2.18
33	7.45	2.23
34	7.60	2.28
35	7.76	2.33
36	7.92	2.38
37	8.08	2.43
38	8.25	2.48
39	8.42	2.53
40	8.60	2.59
41	8.78	2.64
42	8.97	2.69
43	9.16	2.74
44	9.35	2.79
45	9.55	2.84
46	9.75	2.89
47	9.96	2.95
48	10.18	3.00
49	10.39	3.05
50	10.62	3.10
51	10.85	3.16
52	11.09	3.21
53	11.33	3.26
54	11.58	3.31
55	11.84	3.36
56	12.11	3.41
57	12.38	3.45
58	12.67	3.49
59	12.97	3.53
60	13.28	3.57
61	13.61	3.60
62	13.95	3.62
63	14.31	3.65
64	14.68	3.67
65	15.08	3.68
66	15.50	3.69

[5] As noted in paragraph 1.8, the GMP adjustment factor has been removed from the calculation methodology.

Factors for valuing immediate benefit payment:

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
67	15.42	3.70
68	14.82	3.72
69	14.23	3.69
70	13.64	3.65
71	13.05	3.66
72	12.47	3.66
73	11.90	3.65
74	11.32	3.52

Table 8 (Table 213 in the consolidated factors spreadsheet) – Females (DPA 67) [6]

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
16	5.26	1.30
17	5.37	1.41
18	5.48	1.52
19	5.60	1.60
20	5.71	1.64
21	5.83	1.68
22	5.95	1.72
23	6.07	1.77
24	6.20	1.81
25	6.32	1.85
26	6.45	1.90
27	6.59	1.94
28	6.72	1.99
29	6.86	2.04
30	7.00	2.08
31	7.15	2.13
32	7.29	2.18
33	7.45	2.23
34	7.60	2.28
35	7.76	2.33
36	7.92	2.38
37	8.08	2.43
38	8.25	2.48
39	8.42	2.53
40	8.60	2.59
41	8.78	2.64
42	8.97	2.69
43	9.16	2.74
44	9.35	2.79
45	9.55	2.84
46	9.75	2.89
47	9.96	2.95
48	10.18	3.00
49	10.39	3.05
50	10.62	3.10
51	10.85	3.16
52	11.09	3.21
53	11.33	3.26
54	11.58	3.31
55	11.84	3.36
56	12.11	3.41
57	12.38	3.45
58	12.67	3.49
59	12.97	3.53
60	13.28	3.57
61	13.61	3.60
62	13.95	3.62
63	14.31	3.65
64	14.68	3.67
65	15.08	3.68
66	15.50	3.69

[6] As noted in paragraph 1.8, the GMP adjustment factor has been removed from the calculation methodology.

Factors for valuing immediate benefit payment:

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
67	15.42	3.70
68	14.82	3.72
69	14.23	3.69
70	13.64	3.65
71	13.05	3.66
72	12.47	3.66
73	11.90	3.65
74	11.32	3.52

CETV transfer factors based on DPA68

Table 9 (Table 214 in the consolidated factors spreadsheet) – Males (DPA68) [7]

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
16	4.98	1.30
17	5.09	1.41
18	5.19	1.53
19	5.30	1.61
20	5.40	1.65
21	5.51	1.69
22	5.63	1.73
23	5.74	1.77
24	5.86	1.82
25	5.98	1.86
26	6.10	1.90
27	6.22	1.95
28	6.35	2.00
29	6.48	2.04
30	6.61	2.09
31	6.75	2.14
32	6.89	2.19
33	7.03	2.24
34	7.17	2.29
35	7.32	2.34
36	7.47	2.39
37	7.62	2.44
38	7.78	2.49
39	7.94	2.55
40	8.11	2.60
41	8.28	2.65
42	8.45	2.70
43	8.63	2.75
44	8.81	2.80
45	9.00	2.85
46	9.19	2.91
47	9.38	2.96
48	9.58	3.01
49	9.78	3.07
50	9.99	3.12
51	10.21	3.17
52	10.43	3.23
53	10.66	3.28
54	10.89	3.33
55	11.13	3.38
56	11.38	3.43
57	11.64	3.47
58	11.91	3.51
59	12.19	3.55
60	12.48	3.58
61	12.78	3.62
62	13.10	3.64
63	13.43	3.67
64	13.78	3.69
65	14.15	3.70
66	14.54	3.71

[7] As noted in paragraph 1.8, the GMP adjustment factor has been removed from the calculation methodology.

Factors for valuing immediate benefit payment:

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
67	14.95	3.71
68	14.87	3.72
69	14.26	3.69
70	13.66	3.65
71	13.06	3.66
72	12.48	3.66
73	11.90	3.65
74	11.32	3.52

Table 10 (Table 215 in the consolidated factors spreadsheet) – Females (DPA 68) [8]

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
16	4.98	1.30
17	5.09	1.41
18	5.19	1.53
19	5.30	1.61
20	5.40	1.65
21	5.51	1.69
22	5.63	1.73
23	5.74	1.77
24	5.86	1.82
25	5.98	1.86
26	6.10	1.90
27	6.22	1.95
28	6.35	2.00
29	6.48	2.04
30	6.61	2.09
31	6.75	2.14
32	6.89	2.19
33	7.03	2.24
34	7.17	2.29
35	7.32	2.34
36	7.47	2.39
37	7.62	2.44
38	7.78	2.49
39	7.94	2.55
40	8.11	2.60
41	8.28	2.65
42	8.45	2.70
43	8.63	2.75
44	8.81	2.80
45	9.00	2.85
46	9.19	2.91
47	9.38	2.96
48	9.58	3.01
49	9.78	3.07
50	9.99	3.12
51	10.21	3.17
52	10.43	3.23
53	10.66	3.28
54	10.89	3.33
55	11.13	3.38
56	11.38	3.43
57	11.64	3.47
58	11.91	3.51
59	12.19	3.55
60	12.48	3.58
61	12.78	3.62
62	13.10	3.64
63	13.43	3.67
64	13.78	3.69
65	14.15	3.70
66	14.54	3.71

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[8] As noted in paragraph 1.8, the GMP adjustment factor has been removed from the calculation methodology.

Factors for valuing immediate benefit payment:

Age last birthday at relevant date	Gross Pension of £1 pa	Surviving Partner's Pension of £1 pa
67	14.95	3.71
68	14.87	3.72
69	14.26	3.69
70	13.66	3.65
71	13.06	3.66
72	12.48	3.66
73	11.90	3.65
74	11.32	3.52

Factors for non-Club transfers-in based on NPA60

Table NM60 (Table 220 in the consolidated factors spreadsheet) – Males (NPA60)

Age last birthday at relevant date	Gross Pension of £1 per annum	Surviving Partner's Pension of £1 pa
18	19.65	3.59
19	19.64	3.60
20	19.64	3.61
21	19.65	3.62
22	19.64	3.64
23	19.64	3.65
24	19.64	3.66
25	19.63	3.67
26	19.63	3.68
27	19.62	3.70
28	19.62	3.71
29	19.61	3.72
30	19.61	3.74
31	19.61	3.75
32	19.60	3.76
33	19.60	3.78
34	19.59	3.79
35	19.59	3.80
36	19.58	3.82
37	19.56	3.83
38	19.56	3.84
39	19.55	3.86
40	19.55	3.87
41	19.53	3.88
42	19.53	3.89
43	19.52	3.90
44	19.52	3.92
45	19.51	3.92
46	19.51	3.92
47	19.49	3.93
48	19.49	3.93
49	19.49	3.93
50	19.49	3.93
51	19.49	3.92
52	19.50	3.91
53	19.50	3.90
54	19.52	3.88
55	19.53	3.87
56	19.56	3.85
57	19.59	3.82
58	19.63	3.79
59	19.68	3.76

Table NF60 (Table 221 in the consolidated factors spreadsheet) – Females (NPA60)

Age last birthday at relevant date	Gross Pension of £1 per annum	Surviving Partner's Pension of £1 pa
18	19.65	3.59
19	19.64	3.60
20	19.64	3.61
21	19.65	3.62
22	19.64	3.64
23	19.64	3.65
24	19.64	3.66
25	19.63	3.67
26	19.63	3.68
27	19.62	3.70
28	19.62	3.71
29	19.61	3.72
30	19.61	3.74
31	19.61	3.75
32	19.60	3.76
33	19.60	3.78
34	19.59	3.79
35	19.59	3.80
36	19.58	3.82
37	19.56	3.83
38	19.56	3.84
39	19.55	3.86
40	19.55	3.87
41	19.53	3.88
42	19.53	3.89
43	19.52	3.90
44	19.52	3.92
45	19.51	3.92
46	19.51	3.92
47	19.49	3.93
48	19.49	3.93
49	19.49	3.93
50	19.49	3.93
51	19.49	3.92
52	19.50	3.91
53	19.50	3.90
54	19.52	3.88
55	19.53	3.87
56	19.56	3.85
57	19.59	3.82
58	19.63	3.79
59	19.68	3.76

Appendix B - Assumptions underlying factors

Financial assumptions

Nominal discount rate	4.448% pa
CPI	2.00% pa
Long term earnings growth	4.20% pa
Real discount rate (in excess of CPI)	2.40% pa

Mortality assumptions

Base mortality tables and adjustments	As per 2016 valuation:
Members in normal health	113% of S2NMA (males) and 113% of S2NFA (females)
Dependants	113% of S2NMA (males) and 100% of S2NFA (females)
Future mortality improvement	Based on ONS principal UK population projections 2016
Year of Use	2020

Other assumptions

Proportion of male members for unisex factors	95% for members and 5% for dependants
Age difference between member and partner	Males assumed 3 years older than female partner and females assumed to be 3 years younger than partner
Proportions partnered	75% of members assumed married at retirement (80% assumed partnered)
Allowance for commutation	Nil

Appendix C - Limitations

C.1   This guidance should not be used for any purpose other than those set out in this guidance.

C.2   The factors contained in this guidance are subject to regular review. Scheme managers and administrators need to ensure that they are using the latest factors, as relevant, when processing cases.

C.3   Advice provided by GAD must be taken in context and is intended to be considered in its entirety. Individual sections, if considered in isolation, may be misleading, and conclusions reached by a review of some sections on their own may be incorrect. GAD does not accept responsibility for advice that is altered or used selectively. Clarification should be sought if there is any doubt about the intention or scope of advice provided by GAD.

C.4   This guidance only covers the actuarial principles around the calculation and application of individual transfer factors. Any legal advice in this area should be sought from an appropriately qualified person or source.

C.5   Scheme managers and administrators should satisfy themselves that individual transfer calculations and benefit awards comply with all legislative requirements including, but not limited to, tax and contracting-out requirements.

C.6   This guidance is based on the Regulations in force at the time of writing. It is possible that future changes to the Regulations might create inconsistencies between this guidance and the Regulations. If users of this guidance believe there to be any such inconsistencies, they should bring this to the attention of the Home Office and GAD. Under no circumstances should this guidance take precedence over the Regulations. Administrators should ensure that they comply with all relevant Regulations.