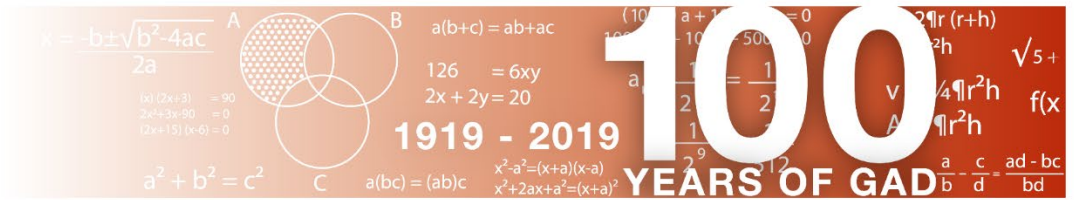




Government
Actuary's
Department



The Firefighters' Pension Scheme 2015 (England)

Pension Sharing on Divorce

Factors and guidance

Date: 30 January 2020





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1 Introduction

- 1.1 This note is provided for the Home Office (HO) as scheme manager of the Firefighters' Pension Scheme 2015 in England.
- 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 relating to pension sharing on divorce (regulation 54 of the 2015 Scheme Regulations).
- 1.3 This guidance is based on our understanding of the relevant legislation and is designed to be consistent with the Welfare Reform and Pensions Act 1999 ('the 1999 Act') and associated regulations including the Pension Sharing (Valuation) Regulations 2000 (SI 2000/1052) (as amended).
- 1.4 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.
- 1.5 The factors and the calculation methodology in this note have been updated from the previous iteration. The change in calculation methodology follows from the requirement to equalise GMPs, and full details of the change are set out in Section 2. The change only applies to members who have an accrued Guaranteed Minimum Pension (GMP) and who reach State Pension age on or after 6 April 2016.
- 1.6 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.
- 1.7 The remainder of this introduction contains:
 - Details of the implementation and future review of this guidance
 - Statements about third party reliance
- 1.8 In the remainder of this note:
 - Section 2 sets out the new approach to be used when making an adjustment to cash equivalents in respect of GMPs.
 - Sections 3 to 5 describe the issues and set out the formulae
 - Section 6 contains examples
 - Section 7 sets out the factors to be used
 - Appendix A sets out the principal assumptions underlying the factors contained in this guidance note.
 - Appendix B sets out some important limitations of our work.



Implementation and Review

- 1.9 The responsible authority is required to consult the scheme actuary before issuing actuarial guidance under the 2015 Scheme Regulations.
- 1.10 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.
- 1.11 This note relates to pension sharing on divorce in accordance with the 1999 Act and the 2015 Scheme Regulations. It sets out the general methods for:
- Cash equivalent valuation;
 - Calculation of Pension Credits; and
 - Calculation of Pension Debits.
- 1.12 The factors contained in this note should be used with effect from 8 March 2019.
- 1.13 The effective date for this guidance note is 30 January 2020.
- 1.14 This guidance is intended to supersede any factors or advice previously issued, for the purposes of pension sharing on divorce calculations, which rely on input from the Scheme Actuary. In particular, this guidance supersedes:
- *The Firefighters' Pension Scheme 2015 (England): Pension Sharing on Divorce*, dated 2 June 2015; and
 - *Addendum to GAD guidance note "The Firefighters' Pension Scheme 2015 (England): Pension Sharing on Divorce"*, dated 13 May 2016.
- 1.15 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 (England) 2015. Any questions concerning the application of the guidance should, in the first instance, be referred to the Firefighters' Pension team at the Home Office.
- 1.16 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.
- 1.17 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

- 1.18 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.
- 1.19 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 Adjustments for Guaranteed Minimum Pension

GMP equalisation: impact on calculations

- 2.1 The calculations and formulae in this guidance contain adjustments to reflect the inflationary increases on a member's Guaranteed Minimum Pension (GMP), which have historically been the responsibility of the State Scheme after GMP Payment Age.
- 2.2 In previous versions of this guidance, this GMP adjustment was applied to all cash equivalent calculations.
- 2.3 However, following the requirement to equalise GMPs, as set out in our letter "*GMP Equalisation: Calculations involving actuarial factors*" to Home Office dated 9 August 2019, and with effect from receipt of this guidance:

GMP adjustment factors should no longer be applied in calculations for members who reach State Pension age (SPA) on or after 6 April 2016

- 2.4 The cohorts of members who will be affected by this change will be:
- Males with a date of birth on or after 6 April 1951 **and** an accrued GMP
 - Females with a date of birth on or after 6 April 1953 **and** an accrued GMP
- 2.5 For affected members listed above, calculations of cash equivalents of member benefits should be undertaken using the methodology set out in this guidance note but with any GMP (pre or post 1988) set to zero. (Debits to a member's GMP following a divorce still need to be determined however.)
- 2.6 For the majority of affected calculations, the difference between the original and revised quotation is expected to be small, relative to the total transfer value. Not applying the GMP adjustment factors will increase the total transfer value.
- 2.7 No change should be made to existing methodology for members who reached State Pension age before 6 April 2016.

Transitional arrangements

- 2.8 Home Office have determined that the following transitional arrangements should apply to the affected members listed above.
- New requests for a quotation as part of divorce proceedings, or new calculations after a pension sharing order has been made
GMP adjustment factors should no longer be applied.



- For existing requests for a quotation as part of divorce proceedings, but where final determination is yet to be made

Where possible to do so, the scheme administrator should identify any cases where GMP adjustment factors have been applied and provide a revised quotation. This mitigates the risk of challenge due to a failure to notify the court of a change in valuation.

- Existing requests where a pension sharing order has been made, but calculations have not yet been provided to the member

GMP adjustment factors should no longer be applied. This is the case even when the date of the calculation is prior to 30 January 2020

- Existing requests where a pension sharing order has been made, and results were provided to the member before 30 January 2020

No changes should be made to existing calculations where the member and/or ex-partner has already been provided with the results. This includes cases where a pension sharing order has already been implemented.



3 Cash Equivalent valuation

Background and general considerations

- 3.1 In any divorce proceedings dealing with the division of matrimonial assets, the parties are required to disclose to each other and to the Court, all their financial interests. This will include details relating to pension rights that are shareable regardless of whether a pension sharing order will eventually be made.
- 3.2 Where those pension rights are not yet in payment, the valuation method is prescribed by regulation 4 of the Pension Sharing (Valuation) Regulations 2000 as the cash equivalent transfer value of the member's pension rights, since in many circumstances the member could actually obtain a quotation of the value and effect a transfer of his or her rights to another pension arrangement.
- 3.3 However where the pension rights being considered are already in payment, a cash equivalent transfer value is no longer a possibility, and instead the Pension Sharing (Valuation) Regulations 2000 specify the valuation to be made in accordance with regulations 7A to 7C and 7E(1) to (3) of the Occupational Pension Schemes (Transfer Values) Regulations 1996.
- 3.4 The calculations set out in this note determine the value of pension rights for a member of the 2015 Scheme, as required for the divorce proceedings. The methods described should be used both when a member applies for a quotation of the value of the benefits during the divorce proceedings, and after a pension sharing order has been made.
- 3.5 The calculations required and the factor tables used depend on the status of the member at the calculation date, including their age, sex, normal pension age and the date on which they will reach (or did reach) State Pension age.
- 3.6 If the other party in the divorce proceedings also has 2015 Scheme benefits, or either party has 1992 Scheme or NFPS benefits, then separate valuations are required in respect of those pension rights.
- 3.7 For divorce cases in Scotland, the cash equivalent calculated in accordance with this guidance is then adjusted in accordance with regulation 4 of [the Divorce etc \(Pensions\) \(Scotland\) Regulations 2000](#) (SSI 2000/112) subject to any relevant case law, such as [McDonald v McDonald](#) [2017] UKSC 52.

Calculation date

- 3.8 Section 29(8) of the 1999 Act¹ defines the Transfer day as the day on which the pension sharing order takes effect. (The Transfer day is sometimes also referred to as the Effective date.)

¹ The Welfare Reform and Pensions Act 1999 ([1999 c. 30](#)) applies in England, Wales and Scotland. The corresponding legislation in Northern Ireland is Article 26 of The Welfare Reform and Pensions (Northern Ireland) Order 1999 ([1999 No. 3147](#)).



3.9 The **calculation date** to be used will depend on the stage of the divorce:

- For the purposes of a quotation, the calculation of the cash equivalent should be based on the age, gender, and benefits of the member or pensioner at the date specified by the Court or, if no date is specified, the date on which the quotation was requested.
- For the purposes of implementing a Court order, a calculation should be made as at the Transfer day.

Selection of factors

3.10 Factors should be selected with reference to the member's status and age last birthday at the **calculation date**, which should be determined in line with the section above.

3.11 For calculations being completed after a pension sharing order has been made, there may be some time between the **calculation date** (which should be the day on which the relevant order or provision takes effect) and the date on which administrators process the calculation (sometimes referred to as the "valuation day", as defined in section 29 of the 1999 Act). In some cases, it's possible that different sets of factors will be in force on the two dates. In these circumstances, the set of factors that are in force on the day administrators process the calculation should be used. Individual factors should be selected from this factor set with reference to the member's or ex-partner's status and age last birthday at the **calculation date**, in the normal way.

Benefits to be valued

3.12 Details of the benefits to be included in the calculation of cash equivalents for divorce purposes are set out in paragraphs 3.22 to 3.23, for current pensioners, and in the latest version of our guidance note entitled *The Firefighters' Pension Scheme 2015 (England): Individual Cash Equivalent Transfers: Factors and guidance*, for active and deferred members.

3.13 It is important that the amount of all relevant benefits used in the calculation should be the amount taken immediately before the **calculation date**. This is consistent with the requirements set out in section 29 of the 1999 Act:

"Where the [pension scheme member] is in pensionable service under the scheme on the transfer day, the relevant benefits ... are the benefits or future benefits to which he would be entitled under the scheme by virtue of his shareable rights under it had his pensionable service terminated immediately before that day. Otherwise, the relevant benefits ... are the benefits or future benefits to which, immediately before the transfer day, the [member] is entitled..."



Active members and deferred pensioners

- 3.14 The calculation for an active or deferred member will depend upon whether or not the member could have retired without actuarial reduction or employer consent on the calculation date.
- 3.15 If the member could not have voluntarily retired with immediate payment of unreduced benefits on the calculation date then the benefits should be valued in accordance with the current CETV guidance, based on the member's status, age and benefits at the calculation date. This is the case even if the member would not normally be entitled to a transfer value. Please see the latest version of our CETV guidance *The Firefighters' Pension Scheme 2015 (England): Individual Cash Equivalent Transfers: Factors and guidance* for the calculation formulae and the factor tables to use.
- 3.16 If the member could have voluntarily retired on the calculation date with immediate payment of unreduced benefits (i.e. with no actuarial reduction), then:
- For both active and deferred members, the divorce cash equivalent (CE) is calculated as if that the member had retired on the day immediately before the calculation date and was therefore in receipt of retirement benefits from the calculation date. It should be assumed that no pension is commuted for a lump sum.
 - The member is therefore treated as if they were a pensioner member and the divorce CE should be calculated using the formula for a pensioner cash equivalent set out in paragraph 3.21. The actual future date of the member's (planned) retirement in practice is of no relevance to this calculation.
 - The calculation is based on the member's age, assumed status and benefits at the calculation date as determined above.
 - Benefits not yet in payment should be increased up to the calculation date in line with the current guidance.
- 3.17 In both circumstances the calculation date should be selected in line with paragraph 3.9 of this guidance note.

Pension debit members

- 3.18 Where a member has one or more pension debits (either in respect of a previous divorce or one or more annual allowance tax charges), the cash equivalent should be calculated in two stages.
1. The gross cash equivalent should be calculated ignoring all pension debits.
 2. The value of each pension debit (revalued to the calculation date) should be calculated as the cash equivalent of a deferred pension of the same amount as the debit.

The final cash equivalent to be used for divorce purposes is the gross cash equivalent calculated in stage one, less the value of all pension debits calculated in stage two.



Pensioners

3.19 There are two sets of tables:

- Tables A1 and A2: Pensioners who retired on ordinary grounds;
- Tables B1 and B2: Pensioners who retired on ill-health grounds.

3.20 In a calculation for an ill health pensioner under the age of 55, Tables B1 and B2 should only be used where full pension increases are payable in the period up to age 55. If, for any reason, pension increases are not payable to an ill health pensioner before age 55 then the case should be referred to the Firefighters' Pensions Team as stated in paragraph 1.15 above.

3.21 The divorce CE should be calculated using the formula for a pensioner cash equivalent set out below:

$$CE = (P \times F_x^P + SUR \times F_x^S) - (G^{pre} + 0.15 \times G^{post}) \times F_x^{GMP}$$

where:

P	member's current annual pension at the calculation date
SUR	surviving partner's annual pension payable if the member died on the calculation date
G^{pre}	annual pre-88 GMP, including revaluation to the calculation date (for members who reached SPA before 6 April 2016)
	<u>or</u>
	zero (for members who reached SPA on or after 6 April 2016)
G^{post}	annual post-88 GMP, including revaluation to the calculation date (for members who reached SPA before 6 April 2016)
	<u>or</u>
	zero (for members who reached SPA on or after 6 April 2016)
F_x^P	member's pension factor for a member aged x last birthday at the relevant date, taken from Tables A or B
F_x^S	surviving partner's pension factor for a member aged x last birthday at the relevant date, taken from Tables A or B
F_x^{GMP}	GMP onset/offset factor for a member aged x last birthday at the relevant date, taken from Tables A or B



Benefits to use when calculating pensioner cash equivalent values

3.22 Pension benefits:

- The member's pension should be their annual pension in payment on the calculation date and the survivor's pension should be the annual contingent survivor's pension that would be payable if the pensioner died on the calculation date (for this purpose, it should be assumed that an eligible survivor exists). The pension increases included should be those awarded up to and including the April increase immediately before the calculation date.

3.23 Guaranteed Minimum Pension (GMP):

- As set out in Section 2, adjustments for GMP should only be made for members who reached State Pension age before 6 April 2016 and who have a GMP in this scheme. Under the 2015 Scheme Regulations GMP can only arise where a previous transfer in has been received.
- For members who meet these criteria, the cash equivalent must be adjusted to reflect increases on the Guaranteed Minimum Pension (GMP) that are the responsibility of the State. Separate pre and post 1988 GMP figures need to be used, and these should be the current annual amounts of GMP in payment. If the member has passed GMP payment age, and their GMP is not yet in payment, then the case should be referred to GAD.



4 Calculation of Pension Credits

Calculation of the value of shareable rights

- 4.1 When a pension sharing order is received from the Court, the first stage is to check that all the necessary information has been provided and any charges requested at this stage have been paid. The value of the member's benefits should be recalculated at the **calculation date** which will be the "transfer day", as described in section 3.
- 4.2 For divorces under English law, or for divorces in Northern Ireland, the pension sharing order will specify the percentage of the member's benefits that the ex-partner will be entitled to. The member's cash equivalent (CE) obtained in 4.1 should be multiplied by this percentage, to give the value of the ex-partner's benefits, or the ex-partner's cash equivalent (ESCE):

$$\text{ESCE} = (\text{CE} \times \text{appropriate percentage} \div 100) - \text{Charges}$$

CE	cash equivalent of the member's benefits at the calculation date
Charges	are any charges to cover the cost of the work generated by the pension sharing order, which the fire authority have decided should be deducted from the value of benefits awarded to the ex-partner

- 4.3 Under Scottish law, the pension sharing order will usually specify a monetary amount (MA). The percentage of the member's benefits that the ex-partner will be entitled to should be calculated as the ratio of the monetary amount and the cash equivalent:

$$\text{appropriate percentage} = (\text{MA} \div \text{CE}) \times 100$$

- 4.4 When the appropriate percentage is used to calculate the ex-partner's cash equivalent as in 4.2, the ESCE will be equal to the monetary amount specified in the order, less charges.
- 4.5 The ESCE calculated in this way should be used to derive the pension credit available to the ex-partner.



Benefits for the ex-partner

- 4.6 The shareable rights of the ex-partner should be applied to establish a pension credit member's account under regulation 54 of the 2015 Scheme Regulations.
- 4.7 The main benefits for a pension credit member are:
- A pension payable for life from the pension credit member's deferred pension age (with no dependants' pensions payable on death). If the pension credit member has already attained their deferred pension age at the calculation date, the pension credit is payable immediately.
 - Part of the pension can be commuted for a cash sum at its commencement so long as the member whose pension rights are being shared had not commuted a part of his or her pension for a cash sum on retirement or on flexible retirement where the date of retirement or flexible retirement was prior to the calculation date used for implementing the pension sharing order.
 - A lump sum on death, payable to the pension credit member's beneficiaries, in accordance with regulation 99 of the 2015 Scheme Regulations.
 - The pension is increased in accordance with the Pensions Increase Act with effect from the calculation date

Calculation of the pension credit for the ex-partner

- 4.8 The calculation of the pension credit will depend on the gender of the ex-partner, their deferred pension age and their age at the calculation date. **Do not use the deferred pension age, gender or age of the member.** The pension credit member's deferred pension age is the higher of age 65 and their State pension age.
- 4.9 The pension credit as at the calculation date will be.

$$PC = ESCE \div F_P$$

Where:

- ESCE the former partner's share of the cash equivalent as calculated in 4.2 above.
- F_P factor for pension for former partner from Table C1 or C2



Non-Integer NPAs

- 4.10 Where an ex-partner has a non-integer normal pension age, then factors should be interpolated using the same methods as used for calculating transfer payments for the purposes of The Public Sector Transfer Club.
- 4.11 For an ex-spouse with a normal pension age of n years and m months the main pension factor would be:

$$F_P(\text{NPA } n \text{ years, } m \text{ months}) = F_P(\text{NPA } n) + \{m/12 \times [F_P(\text{NPA } n + 1) - F_P(\text{NPA } n)]\}$$

Where:

$F_P(\text{NPA } xx)$ is the factor applying for a Normal Pension Age of xx

- 4.12 An ex-spouse may have a normal pension age that falls on a specified date. This may mean that their NPA is based on years and days rather than years and whole months. For such an ex-spouse the main pension factor would be:

$$F_P(\text{NPA } n \text{ years, } m \text{ days}) = F_P(\text{NPA } n) + \{m/365 \times [F_P(\text{NPA } n + 1) - F_P(\text{NPA } n)]\}$$

Where:

$F_P(\text{NPA } xx)$ is the factor applying for a Normal Pension Age of xx

Future State Pension Age changes

- 4.13 For the avoidance of doubt, if the State Pension Age changes, the debit will become payable from the revised State Pension Age. There will be no adjustment to the debit in respect of such a change, it should be treated as if the new State Pension Age had applied at the time of the calculation.



5 Calculation of Pension Debits

- 5.1 Where a pension sharing order is issued by the Court, the former partner is allocated either a percentage (up to 100%) of the member's benefits, or a monetary amount (which can be converted into a percentage by dividing this monetary amount by the cash equivalent value of the member's total benefits). The member's benefits are reduced accordingly, and the former partner will hold benefits in their own right, independent of the scheme member.
- 5.2 The member's benefits will be reduced by the percentage allocated to their former partner. This reduction is known as a 'pension debit'.
- 5.3 Where the member is a pensioner, the debit will apply to the member's own pension with effect from the transfer day, and also to the pension payable to a future qualifying partner on the member's death.
- 5.4 Where the member is a deferred pensioner, the debit will apply to the member's pension at the point when the pension becomes payable. The debit will also apply to the pension payable to a future qualifying partner on the member's death.
- 5.5 Where the member is still contributing to the scheme, the debit will be calculated assuming retirement at deferred pension age. If the member retires at an earlier age, the debit will be reduced. The debit will also apply to the pension payable to a future surviving qualifying partner on the member's death.

Pension debit for current pensioner

- 5.6 The pension sharing order will specify the percentage of the member's benefits that the ex-partner will be entitled to, for divorces in England and Wales or Northern Ireland. For Scottish divorces the value of the cash equivalent to be shared will be specified, and the proportion will be calculated as described at 4.3.
- 5.7 The debit applying to the member's pension will be:

$$\text{MEMDEB} = P \times \text{appropriate percentage} \div 100$$

The debit applying to any future surviving qualifying partner's pension will be:

$$\text{SURDEB} = \text{SUR} \times \text{appropriate percentage} \div 100$$

The debit applying to the GMP pension will be:

$$\text{PREGMPDEB} = G^{\text{pre}} \times \text{appropriate percentage} \div 100$$

$$\text{POSTGMPDEB} = G^{\text{post}} \times \text{appropriate percentage} \div 100$$

- 5.8 P, SUR, G^{pre} and G^{post} are defined in section 3.21.



Pension debit for a deferred pensioner

- 5.9 The principle is the same as for the pensioner, except that the debit will not start to be deducted until the member's benefits come into payment.
- 5.10 The debit should be expressed as a debit to the member's benefits at exit:

$$\text{MEMDEB} = \text{Member's pension at exit} \times \text{appropriate percentage} \div 100$$

$$\text{SURDEB} = \text{Survivor's pension at exit} \times \text{appropriate percentage} \div 100$$

$$\text{PREGMPDEB} = G^{\text{pre}} \text{ at exit} \times \text{appropriate percentage} \div 100$$

$$\text{POSTGMPDEB} = G^{\text{post}} \text{ at exit} \times \text{appropriate percentage} \div 100$$

- 5.11 At retirement, both the benefit and the debit should be revalued from the date of exit to the date of retirement, and the revalued debit should be subtracted from the revalued benefit.
- 5.12 If the member's deferred pension comes into payment before deferred pension age, whether on voluntary early retirement or on grounds of ill health, the debit applied should be reduced. This is because the debit will be applied over a longer period than was assumed in calculating the original amount of the debit, and so a lower amount should be deducted. The pension debit at retirement will be:

$$\text{MEMDEB} \times \text{PI} \times \text{MEMERF}$$

MEMDEB	pension debit to the member's pension at exit – see 5.10
PI	the pension increase uprating factor between the date of exit and the date of retirement
MEMERF	early retirement factor – Table D or E, as appropriate

- 5.13 The responsible authority has confirmed that State Pension Age for the purpose of selecting the appropriate MEMERF should be as set out in legislation in force at the retirement date.



Pension debit for an active member

- 5.14 The principle is that the debit acts like a negative deferred pension. The debit should be expressed as a debit to the member's benefits at the calculation date, as used to calculate the cash equivalent in section 3:

$$\text{MEMDEB} = \text{Member pension at calculation date} \times \text{appropriate percentage} \div 100$$

$$\text{SURDEB} = \text{Survivor pension at calculation date} \times \text{appropriate percentage} \div 100$$

$$\text{PREGMPDEB} = G^{\text{pre}} \text{ at calculation date} \times \text{appropriate percentage} \div 100$$

$$\text{POSTGMPDEB} = G^{\text{post}} \text{ at calculation date} \times \text{appropriate percentage} \div 100$$

- 5.15 If the member's pension comes into payment before deferred pension age, whether on voluntary early retirement or on grounds of ill health, the member element of the debit applied should be reduced as described in 5.12 above. For the avoidance of doubt, the survivor's pension debit will not be subject to any early retirement reduction.
- 5.16 There is a complication where the member is aged 60 or over and would be entitled to the immediate payment of a pension if they left on the calculation date. The complication is that we do not know when the member will retire and the debit can be deducted. In these cases, the debit at retirement will be:

$$\text{MEMDEB} \times \text{PI} \times \text{MEMERF}_{\text{ret}} \div \text{MEMERF}_{\text{trd}}$$

MEMDEB	pension debit to the member's pension at calculation date
PI	the pension increase uprating factor between the calculation date and the date of retirement
MEMERF _{ret}	early retirement factor at retirement age – Table D
MEMERF _{trd}	early retirement factor at member's age at calculation date – Table D

- 5.17 The responsible authority has confirmed that State Pension Age for the purpose of selecting the appropriate MEMERF_{ret} and MEMERF_{trd} should be as set out in legislation in force at the retirement date.
- 5.18 This adjustment for members aged 60 and over does not apply to the debit applied to the qualifying partner's pension, or the debit applied to the GMP.
- 5.19 When the member retires, the total pension is calculated in accordance with the regulations, initially ignoring the pension debit. The pension is then reduced to allow for the pension debit. The debit should be revalued from the calculation date to the date of retirement in line with the Pension Increase act.



Pension debits – future qualifying partners

- 5.20 The benefits payable to a new qualifying partner who is eligible for a pension on the member's death should be reduced by the survivor's pension debit, revalued using the pension increase uprating factors. No early reduction factors will be applied to the survivor's pension debit if the member retires before their deferred pension age.
- 5.21 No qualifying partner's benefits will be payable to the person who was party to the divorce resulting in the pension sharing order (except in the unlikely event that the member entered into a new qualifying partnership with his or her ex-partner).

Pension debits – GMP debits

- 5.22 At the member's GMP pension age (or later retirement date) the GMP debit, calculated in the appropriate section above, should be increased to the member's GMP pension age (or later retirement date). All increases should be allowed for, including the late retirement increase of 1/7 of a percent (i.e. 1/700) a week if appropriate. The revalued debit should be deducted from the member's full GMP.

Pension debits – other benefits

- 5.23 Regulation 91 requires that no debit be applied to a child's pension.
- 5.24 No debit will be made to the lump sum death grant payable to firefighters who were contributing to the scheme at their death.



6 Example calculations

6.1 Pension sharing order for an active member who could not have voluntarily retired with immediate payment of unreduced benefits on the calculation date

Calculation of cash equivalent

As set out in paragraph 3.15, the member's cash equivalent should be calculated based on the latest version of our guidance note titled: *The Firefighters' Pension Scheme 2015 (England): Individual Cash Equivalent Transfers: Factors and guidance*.

For illustrative purposes, the cash equivalent transfer value in this example is assumed to be **£7,400**. The member does not have any GMP.

Calculation of the value of sharable rights

The following information is required:

A. Calculation date (transfer day)	15 April 2020
B. Cash equivalent value at calculation date	£7,400
C. Proportion to which ex-partner is entitled	40%
D. Charges	nil

From paragraph 4.2 of this guidance, the formula used to calculate the shareable rights is:

$$\text{ESCE} = (\text{CE} \times \text{appropriate percentage} \div 100) - \text{Charges}$$

There are no charges for this example. Therefore:

$$\begin{aligned}\text{ESCE} &= £7,400 \times (40 \div 100) - 0 \\ &= £2,960.00\end{aligned}$$

Calculation of the pension credit

The following additional information is required:

E. Ex-partner date of birth	9 July 1967
F. Ex-partner age at calculation date	52
G. Ex-partner Deferred Pension Age	67
H. Ex-partner gender	Female

From paragraph 4.9, the formula used to calculate the pension credit is as follows:

$$\text{PC} = \text{ESCE} \div F_p$$



We have:

$$\text{ESCE} = \text{£}2,960 \text{ (as calculated above)}$$

$$F_p = 11.84 \text{ (from Table C1)}$$

Therefore:

$$\text{Pension Credit} = \text{£}2,960.00 \div 11.84 = \text{£}250.00 \text{ pa}$$

The pension credit will come in to payment when the ex-partner reaches deferred pension age. The pension credit should be revalued from calculation date (transfer day) to deferred pension age in line with the Pension Increase act. The ex-partner will have the option to commute part of the pension for a lump sum payment at deferred pension age.

Calculation of pension debit

The following additional information is required:

I. Member status at calculation date	Active
J. Amount of deferred pension at calculation date	£560
K. Amount of deferred survivor's pension at calculation date	£280

From paragraph 5.14, where the member is an active member the formulae used to calculate the member's pension debit and survivor's pension debit are as follows:

$$\text{MEMDEB} = \text{Member pension at calculation date} \times \text{appropriate percentage} \div 100$$

$$\text{SURDEB} = \text{Survivor pension at calculation date} \times \text{appropriate percentage} \div 100$$

Therefore

$$\text{MEMDEB} = \text{£}560 \times 40 \div 100 = \text{£}224.00 \text{ pa}$$

$$\text{SURDEB} = \text{£}280 \times 40 \div 100 = \text{£}112.00 \text{ pa}$$



Action at retirement

The pension debits act like a negative deferred pension payable from the members deferred pension age. The debit should be revalued from calculation date (transfer day) to date of retirement in line with the Pension Increase act.

The member retires from the fire service at age 59.

L. Date of retirement	18 August 2023
M. Age at retirement	59 years, 0 months
N. Member state pension age	67 years
O. Final accrued pension	£2,000
P. Final accrued survivor pension	£1,000
Q. Pension increases factor	1.08

Now from 5.12 and 5.20 the formulae used to calculate the debits to apply at retirement are therefore:

$$\text{MEMDEB} \times \text{PI} \times \text{MEMERF}$$

$$\text{SURDEB} \times \text{PI}$$

MEMERF = 0.643 (from Table D for a member 8 years, 0 months away from SPA)

Therefore:

$$\begin{aligned} \text{Pension debit} &= £224.00 \times 1.08 \times 0.643 \\ &= £155.55 \text{ pa} \end{aligned}$$

$$\begin{aligned} \text{Survivor's pension debit} &= £112.00 \times 1.08 \\ &= £120.96 \text{ pa} \end{aligned}$$

Therefore the member's actual entitlement to benefits at retirement after the application of the pension debit will be:

$$\begin{aligned} \text{Actual Pension} &= £2,000 - £155.55 = £1,844.45 \text{ pa} \\ \text{Actual Survivor's Pension} &= £1,000 - £120.96 = £879.04 \text{ pa} \end{aligned}$$



6.2 Pension sharing order for a deferred member who could not have voluntarily retired with immediate payment of unreduced benefits on the calculation date

Calculation of cash equivalent

As set out in paragraph 3.15, the member's cash equivalent should be calculated based on the latest version of our guidance note titled: *The Firefighters' Pension Scheme 2015 (England): Individual Cash Equivalent Transfers: Factors and guidance*.

For illustrative purposes, the cash equivalent transfer value in this example is assumed to be **£16,000**. The member does not have any GMP.

Calculation of the value of sharable rights

In this case the pension sharing order was issued under Scottish law, so a monetary amount was awarded to the ex-partner (as opposed to a proportion of the member's pension rights).

The following information is required:

A. Calculation date (transfer day)	17 April 2020
B. Cash equivalent value at calculation date	£16,000
C. Monetary amount to which ex-spouse is entitled	£6,000
D. Charges	nil

From paragraph 4.2 of this guidance, the formula used to calculate the shareable rights is:

$$\text{ESCE} = (\text{CE} \times \text{appropriate percentage} \div 100) - \text{Charges}$$

Where, as the pension sharing order was issued under Scottish law, the appropriate percentage is to be calculated in line with paragraph 4.3 as:

$$\text{appropriate percentage} = (\text{MA} \div \text{CE}) \times 100$$

Therefore:

$$\text{Appropriate percentage} = (£6,000 \div £16,000) \times 100 = 37.5$$

And:

$$\begin{aligned} \text{ESCE} &= £16,000 \times (37.5 \div 100) - 0 \\ &= £6,000.00 \end{aligned}$$

Note that in this example the ESCE is equal to the monetary amount awarded to the ex-partner in the pension sharing order as there were no charges.



Calculation of the pension credit

The following additional information is required:

E. Ex-partner date of birth	15 February 1986
F. Ex-partner age at calculation date	34
G. Ex-partner Deferred Pension Age	68
H. Ex-partner gender	Female

From paragraph 4.9, the formula used to calculate the pension credit is as follows:

$$\text{ESCE} \div F_p$$

We have:

$$\text{ESCE} = \text{£}6,000 \text{ (as calculated above)}$$

$$F_p = 7.56 \text{ (from Table C1)}$$

Therefore:

$$\text{Pension Credit} = \text{£}6,000.00 \div 7.56 = \text{£}793.65 \text{ pa}$$

The pension credit will come in to payment when the ex-partner reaches deferred pension age. The pension credit should be revalued from calculation date (transfer day) to deferred pension age in line with the Pension Increase act. The ex-partner will have the option to commute part of the pension for a lump sum payment at deferred pension age.

Calculation of pension debit

The following additional information is required:

I. Member status at calculation date	Deferred
J. Amount of deferred pension at date of exit	£2,000
K. Amount of deferred survivor's pension at date of exit	£1,000

From paragraph 5.10, where the member is a deferred member the formulae used to calculate the member's pension debit and survivor's pension debit are as follows:

$$\text{MEMDEB} = \text{Member's pension at exit} \times \text{appropriate percentage} \div 100$$

$$\text{SURDEB} = \text{Survivor's pension at exit} \times \text{appropriate percentage} \div 100$$

The appropriate percentage is as calculated above. Therefore:

$$\text{MEMDEB} = \text{£}2,000 \times 37.5 \div 100 = \text{£}750.00 \text{ pa}$$

$$\text{SURDEB} = \text{£}1,000 \times 37.5 \div 100 = \text{£}375.00 \text{ pa}$$



The pension debit acts like a negative deferred pension payable from the members deferred pension age. The debit should be revalued from date of exit to date of retirement in line with the Pension Increase act.

If the member's deferred pension comes into payment before deferred pension age, whether on voluntary early retirement or on grounds of ill health, the member element of the debit applied should be reduced in line with the early retirement guidance in force at the time. For the avoidance of doubt, the survivor's pension debit will not be subject to any early retirement reduction.



6.3 Pension sharing order for a current pensioner

Calculation of cash equivalent

The following information is needed for this calculation:

A. Member date of birth	1 April 1959
B. Calculation date (transfer day)	27 July 2020
C. Member age as at calculation date	61
D. Gender	Female
E. Benefits at calculation date	
i. Member's annual pension	£2,000 pa
ii. Surviving partner's annual pension	£1,000 pa
iii. Pre 6/4/88 GMP	£0 pa*
iv. Post 6/4/88 GMP	£250 pa*

** This member will reach State Pension Age on or after 6 April 2016. In line with Section 2 of this guidance, cash equivalents for these members are not adjusted for pre 6/4/88 and post 6/4/1988 GMP. (Debits to a member's GMP following a divorce still need to be determined however.)*

From paragraph 3.21 of this guidance, the formula used to calculate the cash equivalent is:

$$CE = (P \times F_x^P + SUR \times F_x^S) - (G^{pre} + 0.15 \times G^{post}) \times F_x^{GMP}$$

We have:

$$F_x^P = 18.63 \text{ (from Table A2)}$$

$$F_x^S = 3.51 \text{ (from Table A2)}$$

$$F_x^{GMP} = 3.25 \text{ (from Table A2) however both } G^{pre} \text{ and } G^{post} \text{ are set to zero for this calculation.}$$

Therefore:

$$\begin{aligned} CE &= (£2,000 \times 18.63 + £1,000 \times 3.51) - (0 + 0.15 \times 0) \times 3.25 \\ &= (£37,260.00 + £3,510.00) - 0 \\ &= £40,770.00 \end{aligned}$$



Calculation of the value of sharable rights

The following information is required:

F. Cash equivalent value at calculation date	£40,770
G. Proportion to which ex-partner is entitled	40%
H. Charges	nil

From paragraph 4.2 of this guidance, the formula used to calculate the shareable rights is:

$$\text{ESCE} = (\text{CE} \times \text{appropriate percentage} \div 100) - \text{Charges}$$

There are no charges for this example. Therefore:

$$\begin{aligned}\text{ESCE} &= £40,770.00 \times (40 \div 100) - 0 \\ &= £16,308.00\end{aligned}$$

Calculation of the pension credit

The following additional information is required:

I. Ex-partner date of birth	15 March 1953
J. Ex-partner age at calculation date	67
K. Ex-partner Deferred Pension Age	65
L. Ex-partner gender	Male

From paragraph 4.9, the formula used to calculate the pension credit is as follows:

$$\text{ESCE} \div F_p$$

We have:

$$\text{ESCE} = £16,308 \text{ (as calculated above)}$$

$$F_p = 16.56 \text{ (from Table C2)}$$

Therefore:

$$\text{Pension Credit} = £16,308.00 \div 16.56 = £984.78 \text{ pa}$$

As the ex-partner is over Deferred Pension Age at the calculation date (transfer day) the pension credit will come into payment immediately. The ex-spouse will **NOT** have the option to commute pension for a lump sum.



Calculation of pension debit

The following additional information is required:

M. Member status at calculation date	Pensioner
N. Amount of annual pension at calculation date	£2,000
O. Amount of annual survivor's pension at calculation date	£1,000

From paragraph 5.7, where the member is a pensioner member the formulae used to calculate the member's pension debit and survivor's pension debit are as follows:

$$\text{MEMDEB} = P \times \text{appropriate percentage} \div 100$$

$$\text{SURDEB} = \text{SUR} \times \text{appropriate percentage} \div 100$$

$$\text{PREGMPDEB} = G^{\text{pre}} \times \text{appropriate percentage} \div 100$$

$$\text{POSTGMPDEB} = G^{\text{post}} \times \text{appropriate percentage} \div 100$$

Therefore

$$\text{MEMDEB} = £2,000 \times 40 \div 100 = £800.00 \text{ pa}$$

$$\text{SURDEB} = £1,000 \times 40 \div 100 = £400.00 \text{ pa}$$

$$\text{PREGMPDEB} = £0 \times 40 \div 100 = £0.00 \text{ pa}$$

$$\text{POSTGMPDEB} = £250 \times 40 \div 100 = £100.00 \text{ pa}$$

The member pension will be reduced immediately by the value of the pension debit. There is no pre 6/4/1988 GMP, but the member's post 6/4/1988 GMP will be reduced by £100 in annual amount terms.



7 Tables of factors

Table A1 (Table 309 in the consolidated factors spreadsheet): Pensioner cash equivalent factors for divorce purposes

Retirement *not* on grounds of ill health – Males

Age last birthday at relevant date	Member's Pension of £1 per annum	Surviving Partner's Pension of £1 pa	Deduction for GMP ¹ of £1 pa
55	21.67	3.23	3.50
56	21.19	3.28	3.52
57	20.70	3.33	3.54
58	20.20	3.38	3.56
59	19.69	3.42	3.58
60	19.17	3.47	3.60
61	18.63	3.51	3.63
62	18.09	3.55	3.65
63	17.54	3.59	3.68
64	16.99	3.62	3.79
65	16.44	3.65	3.80
66	15.88	3.68	3.63
67	15.32	3.70	3.45
68	14.76	3.72	3.28
69	14.19	3.69	3.10
70	13.62	3.65	2.93
71	13.05	3.66	2.77
72	12.47	3.66	2.60
73	11.90	3.65	2.44
74	11.32	3.52	2.28
75	10.76	3.38	2.13
76	10.20	3.35	1.98
77	9.64	3.31	1.83
78	9.09	3.27	1.68
79	8.55	3.02	1.54
80	8.02	2.77	1.40
81	7.50	2.71	1.27
82	7.00	2.64	1.14
83	6.50	2.57	1.02
84	6.03	2.26	0.91
85	5.57	1.95	0.80

Notes

1. 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



Table A2 (Table 310 in the consolidated factors spreadsheet): Pensioner cash equivalent factors for divorce purposes

Retirement *not* on grounds of ill health – Females

Age last birthday at relevant date	Member's Pension of £1 per annum	Surviving Partner's Pension of £1 pa	Deduction for GMP ¹ of £1 pa
55	21.67	3.23	2.92
56	21.19	3.28	2.94
57	20.70	3.33	2.95
58	20.20	3.38	2.97
59	19.69	3.42	3.05
60	19.17	3.47	3.16
61	18.63	3.51	3.25
62	18.09	3.55	3.35
63	17.54	3.59	3.44
64	16.99	3.62	3.54
65	16.44	3.65	3.51
66	15.88	3.68	3.34
67	15.32	3.70	3.18
68	14.76	3.72	3.01
69	14.19	3.69	2.85
70	13.62	3.65	2.68
71	13.05	3.66	2.53
72	12.47	3.66	2.37
73	11.90	3.65	2.22
74	11.32	3.52	2.07
75	10.76	3.38	1.93
76	10.20	3.35	1.79
77	9.64	3.31	1.65
78	9.09	3.27	1.52
79	8.55	3.02	1.39
80	8.02	2.77	1.26
81	7.50	2.71	1.14
82	7.00	2.64	1.03
83	6.50	2.57	0.92
84	6.03	2.26	0.82
85	5.57	1.95	0.73

Notes:

1. 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



Table B1 (Table 311 in the consolidated factors spreadsheet): Ill health pensioner cash equivalent factors for divorce purposes

Retirement on grounds of ill health – Males

Age last birthday at relevant date	Member's Pension of £1 per annum	Surviving Partner's Pension of £1 pa	Deduction for GMP ¹ of £1 pa
20	33.58	1.55	2.84
21	33.35	1.59	2.85
22	33.12	1.63	2.86
23	32.88	1.66	2.87
24	32.64	1.70	2.87
25	32.39	1.74	2.88
26	32.14	1.79	2.89
27	31.88	1.83	2.89
28	31.61	1.87	2.90
29	31.34	1.91	2.91
30	31.06	1.96	2.92
31	30.77	2.00	2.93
32	30.48	2.05	2.93
33	30.18	2.09	2.94
34	29.87	2.14	2.95
35	29.56	2.19	2.96
36	29.24	2.24	2.97
37	28.91	2.29	2.98
38	28.58	2.33	2.99
39	28.24	2.38	2.99
40	27.89	2.43	3.00
41	27.53	2.48	3.01
42	27.17	2.53	3.02
43	26.80	2.58	3.03
44	26.42	2.63	3.04
45	26.03	2.69	3.05
46	25.63	2.74	3.06
47	25.22	2.79	3.07
48	24.81	2.85	3.08
49	24.38	2.90	3.09
50	23.95	2.96	3.10
51	23.50	3.01	3.11
52	23.05	3.07	3.13
53	22.59	3.12	3.14
54	22.12	3.17	3.15

Notes:

1. 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



Table B1 (Table 311 in the consolidated factors spreadsheet): Ill health pensioner cash equivalent factors for divorce purposes *continued*

Retirement on grounds of ill health – Males

Age last birthday at relevant date	Member's Pension of £1 per annum	Surviving Partner's Pension of £1 pa	Deduction for GMP ¹ of £1 pa
55	21.64	3.23	3.17
56	21.15	3.28	3.19
57	20.65	3.33	3.21
58	20.15	3.38	3.23
59	19.64	3.42	3.25
60	19.13	3.47	3.27
61	18.60	3.51	3.30
62	18.07	3.55	3.33
63	17.53	3.59	3.35
64	16.99	3.62	3.46
65	16.44	3.65	3.46
66	15.88	3.68	3.29
67	15.32	3.70	3.12
68	14.76	3.72	2.95
69	14.19	3.69	2.79
70	13.62	3.65	2.62
71	13.05	3.66	2.46
72	12.47	3.66	2.31
73	11.90	3.65	2.15
74	11.32	3.52	2.00
75	10.76	3.38	1.85
76	10.20	3.35	1.71
77	9.64	3.31	1.57
78	9.09	3.27	1.43
79	8.55	3.02	1.30
80	8.02	2.77	1.17
81	7.50	2.71	1.05
82	7.00	2.64	0.94
83	6.50	2.57	0.84
84	6.03	2.26	0.74
85	5.57	1.95	0.65

Notes:

1. 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



Table B2 (Table 312 in the consolidated factors spreadsheet): Ill health pensioner cash equivalent factors for divorce purposes

Retirement on grounds of ill health – Females

Age last birthday at relevant date	Member's Pension of £1 per annum	Surviving Partner's Pension of £1 pa	Deduction for GMP ¹ of £1 pa
20	33.58	1.55	2.29
21	33.35	1.59	2.29
22	33.12	1.63	2.30
23	32.88	1.66	2.30
24	32.64	1.70	2.31
25	32.39	1.74	2.31
26	32.14	1.79	2.32
27	31.88	1.83	2.32
28	31.61	1.87	2.33
29	31.34	1.91	2.33
30	31.06	1.96	2.34
31	30.77	2.00	2.34
32	30.48	2.05	2.35
33	30.18	2.09	2.35
34	29.87	2.14	2.36
35	29.56	2.19	2.36
36	29.24	2.24	2.37
37	28.91	2.29	2.38
38	28.58	2.33	2.38
39	28.24	2.38	2.39
40	27.89	2.43	2.39
41	27.53	2.48	2.40
42	27.17	2.53	2.41
43	26.80	2.58	2.41
44	26.42	2.63	2.42
45	26.03	2.69	2.43
46	25.63	2.74	2.43
47	25.22	2.79	2.44
48	24.81	2.85	2.45
49	24.38	2.90	2.46
50	23.95	2.96	2.46
51	23.50	3.01	2.47
52	23.05	3.07	2.48
53	22.59	3.12	2.49
54	22.12	3.17	2.50

Notes:

1. 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



Table B2 (Table 312 in the consolidated factors spreadsheet): Ill health pensioner cash equivalent factors for divorce purposes *continued*

Retirement on grounds of ill health – Females

Age last birthday at relevant date	Member's Pension of £1 per annum	Surviving Partner's Pension of £1 pa	Deduction for GMP ¹ of £1 pa
55	21.64	3.23	2.51
56	21.15	3.28	2.53
57	20.65	3.33	2.54
58	20.15	3.38	2.55
59	19.64	3.42	2.62
60	19.13	3.47	2.72
61	18.60	3.51	2.80
62	18.07	3.55	2.88
63	17.53	3.59	2.96
64	16.99	3.62	3.05
65	16.44	3.65	3.01
66	15.88	3.68	2.85
67	15.32	3.70	2.68
68	14.76	3.72	2.53
69	14.19	3.69	2.37
70	13.62	3.65	2.22
71	13.05	3.66	2.07
72	12.47	3.66	1.93
73	11.90	3.65	1.79
74	11.32	3.52	1.65
75	10.76	3.38	1.52
76	10.20	3.35	1.39
77	9.64	3.31	1.26
78	9.09	3.27	1.14
79	8.55	3.02	1.03
80	8.02	2.77	0.92
81	7.50	2.71	0.82
82	7.00	2.64	0.73
83	6.50	2.57	0.65
84	6.03	2.26	0.58
85	5.57	1.95	0.51

Notes:

1. 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



Table C1 (Table 316 in the consolidated factors spreadsheet): Factors for calculating pension credit – Females

Age last birthday at relevant date	DPA 65	DPA 66	DPA 67	DPA 68
18	6.34	6.04	5.74	5.45
19	6.48	6.16	5.86	5.56
20	6.61	6.29	5.98	5.67
21	6.75	6.42	6.10	5.79
22	6.89	6.55	6.23	5.91
23	7.03	6.69	6.35	6.03
24	7.18	6.83	6.49	6.15
25	7.33	6.97	6.62	6.28
26	7.49	7.12	6.76	6.41
27	7.64	7.26	6.90	6.54
28	7.80	7.42	7.04	6.67
29	7.97	7.57	7.19	6.81
30	8.14	7.73	7.34	6.95
31	8.31	7.90	7.49	7.10
32	8.49	8.06	7.65	7.25
33	8.67	8.24	7.81	7.40
34	8.86	8.41	7.98	7.56
35	9.05	8.60	8.15	7.72
36	9.25	8.78	8.33	7.88
37	9.45	8.97	8.51	8.05
38	9.66	9.17	8.69	8.23
39	9.88	9.37	8.88	8.41
40	10.10	9.58	9.08	8.59
41	10.33	9.80	9.28	8.78
42	10.56	10.01	9.49	8.97
43	10.80	10.24	9.70	9.17
44	11.04	10.47	9.91	9.38
45	11.29	10.70	10.14	9.58
46	11.55	10.95	10.36	9.80
47	11.81	11.19	10.59	10.01
48	12.08	11.44	10.83	10.24
49	12.35	11.70	11.07	10.47
50	12.63	11.97	11.32	10.70
51	12.92	12.24	11.58	10.94
52	13.22	12.52	11.84	11.19
53	13.53	12.81	12.12	11.44
54	13.84	13.11	12.39	11.70
55	14.17	13.41	12.68	11.97
56	14.51	13.73	12.98	12.25
57	14.86	14.06	13.29	12.54
58	15.22	14.40	13.61	12.84
59	15.59	14.75	13.94	13.15
60	15.98	15.12	14.28	13.47
61	16.38	15.50	14.64	13.80
62	16.81	15.89	15.01	14.15
63	17.24	16.31	15.39	14.51
64	17.70	16.74	15.80	14.89
65	17.66	17.19	16.22	15.29
66	17.11	17.14	16.67	15.70



Age last birthday at relevant date	DPA 65	DPA 66	DPA 67	DPA 68
67	16.56	16.58	16.61	16.14
68	16.00	16.02	16.05	16.08
69	15.45	15.46	15.48	15.50
70	14.89	14.90	14.91	14.93
71	14.34	14.34	14.34	14.35
72	13.78	13.78	13.78	13.78
73	13.22	13.22	13.22	13.22
74	12.65	12.65	12.65	12.65
75	12.09	12.09	12.09	12.09
76	11.53	11.53	11.53	11.53
77	10.97	10.97	10.97	10.97
78	10.41	10.41	10.41	10.41
79	9.86	9.86	9.86	9.86
80	9.31	9.31	9.31	9.31
81	8.76	8.76	8.76	8.76
82	8.23	8.23	8.23	8.23
83	7.70	7.70	7.70	7.70
84	7.18	7.18	7.18	7.18
85	6.68	6.68	6.68	6.68



Table C2 (Table 317 in the consolidated factors spreadsheet): Factors for calculating pension credit – Males

Age last birthday at relevant date	DPA 65	DPA 66	DPA 67	DPA 68
18	6.34	6.04	5.74	5.45
19	6.48	6.16	5.86	5.56
20	6.61	6.29	5.98	5.67
21	6.75	6.42	6.10	5.79
22	6.89	6.55	6.23	5.91
23	7.03	6.69	6.35	6.03
24	7.18	6.83	6.49	6.15
25	7.33	6.97	6.62	6.28
26	7.49	7.12	6.76	6.41
27	7.64	7.26	6.90	6.54
28	7.80	7.42	7.04	6.67
29	7.97	7.57	7.19	6.81
30	8.14	7.73	7.34	6.95
31	8.31	7.90	7.49	7.10
32	8.49	8.06	7.65	7.25
33	8.67	8.24	7.81	7.40
34	8.86	8.41	7.98	7.56
35	9.05	8.60	8.15	7.72
36	9.25	8.78	8.33	7.88
37	9.45	8.97	8.51	8.05
38	9.66	9.17	8.69	8.23
39	9.88	9.37	8.88	8.41
40	10.10	9.58	9.08	8.59
41	10.33	9.80	9.28	8.78
42	10.56	10.01	9.49	8.97
43	10.80	10.24	9.70	9.17
44	11.04	10.47	9.91	9.38
45	11.29	10.70	10.14	9.58
46	11.55	10.95	10.36	9.80
47	11.81	11.19	10.59	10.01
48	12.08	11.44	10.83	10.24
49	12.35	11.70	11.07	10.47
50	12.63	11.97	11.32	10.70
51	12.92	12.24	11.58	10.94
52	13.22	12.52	11.84	11.19
53	13.53	12.81	12.12	11.44
54	13.84	13.11	12.39	11.70
55	14.17	13.41	12.68	11.97
56	14.51	13.73	12.98	12.25
57	14.86	14.06	13.29	12.54
58	15.22	14.40	13.61	12.84
59	15.59	14.75	13.94	13.15
60	15.98	15.12	14.28	13.47
61	16.38	15.50	14.64	13.80
62	16.81	15.89	15.01	14.15
63	17.24	16.31	15.39	14.51
64	17.70	16.74	15.80	14.89
65	17.66	17.19	16.22	15.29
66	17.11	17.14	16.67	15.70



Age last birthday at relevant date	DPA 65	DPA 66	DPA 67	DPA 68
67	16.56	16.58	16.61	16.14
68	16.00	16.02	16.05	16.08
69	15.45	15.46	15.48	15.50
70	14.89	14.90	14.91	14.93
71	14.34	14.34	14.34	14.35
72	13.78	13.78	13.78	13.78
73	13.22	13.22	13.22	13.22
74	12.65	12.65	12.65	12.65
75	12.09	12.09	12.09	12.09
76	11.53	11.53	11.53	11.53
77	10.97	10.97	10.97	10.97
78	10.41	10.41	10.41	10.41
79	9.86	9.86	9.86	9.86
80	9.31	9.31	9.31	9.31
81	8.76	8.76	8.76	8.76
82	8.23	8.23	8.23	8.23
83	7.70	7.70	7.70	7.70
84	7.18	7.18	7.18	7.18
85	6.68	6.68	6.68	6.68



Table D (Table 327 in the consolidated factors spreadsheet): Normal health early retirement factors for pension debit

<i>Years until DPA at date of retirement</i>	<i>Early payment Reduction</i> <i>Males and females</i>
0	1.000
1	0.940
2	0.885
3	0.836
4	0.790
5	0.749
6	0.710
7	0.675
8	0.643
9	0.613
10	0.585
11	0.559
12	0.534

Note:

The table is based on the period to a member's deferred pension age. The period to deferred pension age should be rounded **up** to the **next** month. Alternatively, the period is equal to the member's deferred pension age (in years and months) less the age of the member in completed years and months. Where the period from retirement to DPA is not an integer, the reduction factor from the above table should be interpolated for part years.



Table E (Table 328 in the consolidated factors spreadsheet): Ill health early retirement factors for pension debit

<i>Years until deferred pension age at date of retirement</i>	<i>Early payment Reduction</i>
	<i>Males and females</i>
0	1.000
1	0.940
2	0.885
3	0.836
4	0.790
5	0.749
6	0.710
7	0.675
8	0.643
9	0.613
10	0.585
11	0.559
12	0.534
13	0.512
14	0.490
15	0.471
16	0.452
17	0.434
18	0.418
19	0.402
20	0.387
21	0.373
22	0.360
23	0.348
24	0.336
25	0.324
26	0.313
27	0.303



<i>Years until deferred pension age at date of retirement</i>	<i>Early payment Reduction</i>
	<i>Males and females</i>
28	0.293
29	0.284
30	0.275
31	0.266
32	0.258
33	0.250
34	0.243
35	0.236
36	0.229
37	0.222
38	0.216
39	0.210
40	0.204
41	0.198
42	0.192
43	0.187
44	0.182
45	0.177
46	0.172
47	0.168
48	0.163
49	0.159
50	0.155

Note:

The table is based on the period to a member's deferred pension age. The period to deferred pension age should be rounded **up** to the **next** month. Alternatively, the period is equal to the member's deferred pension age (in years and months) less the age of the member in completed years and months. Where the period from retirement to DPA is not an integer, the reduction factor from the above table should be interpolated for part years.



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

Members in normal and ill health	113% of S2NMA (males) and 113% of S2NFA (females)
Dependants	113% of S2NMA (males) and 100% S2DFA (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 partners
Family statistics	80% assumed partnered at retirement, with consistent assumptions for existing pensioners.
Allowance for commutation	Nil



Appendix B: Limitations

- B.1 This guidance should not be used for any purpose other than those set out in this guidance.
- B.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.
- B.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.
- B.4 This guidance only covers the actuarial principles around the calculation and application of pension sharing on divorce factors. Any legal advice in this area should be sought from an appropriately qualified person or source.
- B.5 Scheme managers and administrators should satisfy themselves that pension sharing on divorce calculations and benefit awards comply with all legislative requirements including, but not limited to, tax and contracting-out requirements.
- B.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.