

CETV calculation for a member with CRA pre-2008 service and taper post-2008 service using factors and methodology from 1 January 2012

Member data:

Date of birth: 1 July 1958

Sex: Male

Marital status: Married (but this information is no longer required)

Date of joining: 1 July 1985

Guarantee date: 1 July 2012

Total service: 27 years 0 days

Pre-2008 service: 22 years 274 days

Post-2008 service: 4 years 91 days

Final pensionable salary: £20,000 pa

Date of leaving: 30 June 2012

Pre-88 GMP £100 pa

Post-88 GMP £500 pa

Initial Calculations

Service before 1 April 2008

Critical retirement age = 60 (min. 60)

Mixed pension and lump sum benefits

Pension = $(22+274/365) \times £20,000 / 80$ = £ 5,687.67 pa

Retirement grant = $3 \times £5,687.67$ = £ 17,063.01

Dependants' pension = $£5,687.67 / 2$ = £ 2,843.84 pa

Service from 1 April 2008

Critical retirement age = 60 (min. 60)

Pension only Benefits

Pension = $(4+91/365) \times £20,000 / 60$ = £ 1,416.44 pa

Dependants' pension = $(4+91/365) \times £20,000 / 160$ = £ 531.16 pa

Factors (Male, Aged 54 last birthday at Guarantee date) CRA 60	
Pension Factor (NRA65)	12.13
Retirement Grant Factor (NRA65)	0.74
Partner's Factor (Married)	3.40
GMP Factor	3.49
Early Retirement Factor (CRA to NRA 65) in decimal form	0.24
Early Retirement Factor CRA	0.00
Pension Conversion Factor (NRA 65 to CRA)	1.31
Retirement Grant Conversion factor (NRA 65 to CRA)	1.15
Post-88 GMP Adjustment Factor	0.15
AMC (mixed pension and lump sum)	1.00
AMC (pension only)	1.00

Interpolation and tapered early retirement factors

Taper period = 01/04/2016 – 30/06/2018 = 2 years 91 days
 Interpolation factor = $(2+91/365) / 4 = 0.5623$

Tapered early retirement factor = $(0.5623 \times 0.24) + (1 - 0.5623) \times 0.00 = 0.1350$

Individual transfer (mixed pension and lump sum)

5,687.67	x 12.13	x 1.31	= £ 90,378.78
17,063.01	x 0.74	x 1.15	= £ 14,520.62
2,843.84	x 3.40		= £ 9,669.06
Total			= £114,568.46
Less GMP (£100 + 0.15 x £500)	x 3.49		= (£ 610.75)
Amount before AMC			= £113,957.71
Amount after AMC (113,957.71	x 1.00)		= £113,957.71

Individual transfer (pension only)

1,416.44	x (1 - 0.1350)	x 12.13	x 1.31	= £ 19,469.12
531.16		x 3.40		= £ 1,805.94
Total amount before AMC				= £ 21,275.06
Amount after AMC (21,275.06	x 1.00)			= £ 21,275.06
Total individual Transfer Value				= £135,232.77