

By email

Brian Town  
Workforce Pay & Pensions  
Communities and Local Government

27 July 2009

Dear Brian

### **Inter-fund transfers**

Your letter to Pension Managers of 30 April 2009 flagged up the change of methodology which we had already agreed by email exchange for the calculation of inter-fund transfer amounts under Regulation 86 of the Local Government Pension Scheme (Administration) Regulations 2008. The intention is that, for elections on or after 1 April 2009, the calculation of the transfer amount should follow that of an outward Club transfer value (as set out in Version 1.3 of the new transfer factor suite dated 23 March 2009 and associated guidance).

As you indicated, however, where the transfer is within England & Wales, the membership history transfers with the individual concerned, so that there is no need to calculate a Club service credit. A Club service credit calculation will be needed only in cases of transfers to or from LGPS Scotland or Northern Ireland, where the historic differences in benefit structures may affect the calculation.

We expect that formal GAD guidance to this effect will be issued shortly.

Yours sincerely



**Peter Noonan**

Actuary

Occupational Pensions