

**The Local Government Pension Scheme (Scotland)
Factors to use in calculation of Pension Debit for
Divorced Members**

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Author: Ken Kneller

Local Government Pension Scheme – Scotland
Factors to use in Pension Debit calculations for Divorced Members (effective from 28 March 2012)

Purpose

- 1.1 The purpose of this short note prepared by the Government Actuary's Department ("GAD") for the Scottish Public Pensions Agency ("SPPA"), and issued to them for onward transmission to administering authorities and employing authorities, is to provide the factors required to calculate Pension Debts under Regulation 42 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations (Scotland) 2008 (SSI 2008/230) and Regulation 83(2) of the Local Government Pension Scheme (Administration) Regulations (Scotland) 2008 (SSI 2008/228).

Implementation and Review

- 1.2 The factors contained in this note should be followed with immediate effect.
- 1.3 The factors should be reviewed periodically, depending on external circumstances, for example when changes in the actuarial assumptions adopted for other scheme factors take place, or following each triennial cycle of future valuations of the LGPS.

Limitations

- 1.4 These factors should be read in conjunction with the guidance note "Application of a Pension Debit for Divorced Members" dated 25 May 2011. The factors in this note replace Table A, "Reduction to pension and lump sum debits on ill health retirement" in that guidance and Table B "Reduction to pension and lump sum debits on early retirement".

Ken Kneller
Fellow of the Institute and Faculty of Actuaries
Government Actuary's Department

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Factors

Table A: Reduction to pension and lump sum debits on ill health retirement

Years Early	Pension Reduction (%)		Retirement Grant Reduction All Members %
	Males	Females	
0	0	0	0
1	3	3	3
2	6	6	6
3	9	8	8
4	13	11	11
5	18	14	14
6	22	16	16
7	26	19	19
8	29	22	21
9	33	25	23
10	36	29	26
11	39	33	28
12	42	36	30
13	44	39	32
14	47	42	34
15	49	44	36
16	51	47	38
17	54	49	39
18	56	52	41
19	57	54	43
20	59	56	45
21	61	58	46
22	62	59	48
23	64	61	49
24	65	63	51
25	67	64	52
26	68	66	54

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Years Early	Pension Reduction (%)		Retirement Grant Reduction All Members %
	Males	Females	
27	69	67	55
28	70	69	56
29	71	70	58
30	72	71	59
31	73	72	60
32	74	73	61
33	75	74	62
34	76	75	63
35	77	76	64
36	78	77	65
37	79	78	67
38	79	79	67
39	80	80	68
40	81	80	69
41	82	81	70
42	82	82	71
43	83	83	72
44	83	83	73
45	84	84	74

Notes:

- (1) The number of *Years Early* is the period between the dates (i) and (ii) below, where:
 - (i) is the date of the member's ill health early retirement.
 - (ii) is the date (or dates) on which the member would have been entitled to unreduced benefits **without** employer consent on normal retirement; i.e., CRA (between 60 and 65) or PA65, depending on the membership being considered.
- (2) Practitioners may need to refer to this table twice (with different values of *Years Early*) when preparing calculations.
- (3) If the date in (1) (i) is later than the date in (1) (ii), then it should be clear that no reductions are to be applied (to the relevant part of the membership under consideration, if applicable).
- (4) Where the number of *Years Early* is not an integer number, the reduction factors from the table should be interpolated for part years.

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Table B: Reduction to pension and lump sum debits on early retirement

Years Early	Pension Reduction (%)		Retirement Grant Reduction All Members %
	Males	Females	
0	0	0	0
1	6	5	3
2	11	11	6
3	16	15	8
4	20	20	11
5	25	24	14
6	29	27	16
7	32	31	19
8	36	34	21
9	39	37	23
10	42	40	26

Notes:

- (1) The number of *Years Early* is the period between the dates (i) and (ii) below, where:
 - (i) is the date of the member's (voluntary or involuntary) early retirement.
 - (ii) is the date (or dates) on which the member would be entitled to unreduced benefits **without** employer consent - i.e. CRA (between 60 and 65) or PA65, depending on the membership being considered. Please note that this is different to the definition for the member's early retirement factors as described in the latest version of Government Actuary's Department guidance note on early retirement, since a reduction is applied to pension debits taken before age 60 even if the rule of 85 is satisfied before age 60.
- (2) Practitioners may need to refer to this table twice (with different values of *Years Early*) when preparing calculations.
- (3) If the date in (1) (i) is later than the date in (1) (ii), then it should be clear that no reductions are to be applied (to the relevant part of the membership under consideration, if applicable).
- (4) Where the number of *Years Early* is not an integer number, the reduction factors from the table should be interpolated for part years.