

The Local Government Pension Scheme

Liability for combined benefits - Regulations 28, 47 and 127

1. Regulation 28 of the Local Government Pension Scheme (Scotland) Regulations 1998 (the "LGPS Regulations") provides that, where a member is entitled to two retirement pensions because of having been a member in two employments which were not concurrent, he may elect for a single new pension. The retirement pension and retirement grant is then calculated, with certain qualifications, by reference to the sum of (a) total membership in the later employment and (b) total membership in the earlier employment.
2. Regulation 47 makes a similar provision in relation to a member who has died but, if he had not done so, would have been eligible to elect for a single pension under Regulation 28. In such circumstances the spouse's pension could be calculated on the assumption that the deceased member had retired and opted for a single pension.
3. Regulation 127 provides that where a benefit under regulation 28 or 47 is payable out of a pension fund ("the new fund") and, because of this, another benefit ceases to be payable out of another fund, such payments must be made to the authority maintaining the new fund by the authority maintaining the other fund as are indicated in guidance issued by the Secretary of State.
4. In some circumstances, for example where the member is under age 50 and must therefore have been awarded the retirement pensions on grounds of ill-health, it might be appropriate for the payments to the authority maintaining the new fund by the authority maintaining the other fund to include the periodic pension payments from which the other fund has been relieved rather than their capitalised value. However, it is understood that generally the guidance to be issued by the Secretary of State will indicate that a single payment should be made to the authority maintaining the new fund by the other authority in respect of future pension payments. The Scottish Office Pensions Agency has requested the Government Actuary's Department to provide tables of factors from which to calculate a single payment representing the capitalised value of the pensions for which the other fund has been relieved as a result of combined benefits becoming payable from the new fund. The purpose of this note is to provide the Scottish Office Pensions Agency with the tables of factor requested in a form that may be incorporated in guidance issued by the Secretary of State and transmitted to administering authorities if they choose to do so.
5. Four sets of factors are attached to this note, as summarised below. The detailed application of these factors is explained in subsequent paragraphs.

Table A Factors to calculate the capital value of a pension in payment to the member.

Table B Factors to calculate the capital value of a contingent pension to the spouse of a member.



Table C Factors to calculate the capital value of a pension in payment to the spouse of a deceased member.

Table D Factors to calculate the capital value of a pension in payment to a child of a deceased member

6. Where, however, the pension for which the other fund has been relieved as a result of an election under Regulation 28 or 47 was based on a period of employment ending on or before 31 March 1998 the attached Alternative Table B and Alternative Table C factors should be used unless the authority administering the other fund has determined, by resolution, that a spouse's pension should not cease on remarriage or cohabitation outside marriage.

Capital value of member's pension and contingent spouse's pension

Pensions increases

7. It is important that the total pension to which the factors are applied is the current level at the date from which benefits based on combined service are payable by the new fund. The total GMP should include all revaluations to date which are to apply (i.e. those before State pensionable age) and any increments where payment of the GMP was deferred past State pensionable age. The post-April 1988 element of the GMP should include any pension increases applicable since State pensionable age for which the scheme is liable.

Tables A and B

8. Table A and B are for use in deriving the capital value of the member's pension and contingent spouse's pension for which the other fund has been relieved. There is an Alternative Table B to be used when the spouse's pension payable by the other fund ceases on remarriage or cohabitation. It is necessary to make separate calculations for the member's pension and the contingent spouse's pension because the contingent spouse's pension is not half the member's pension in all cases. It is also necessary to apply separate factors to the three elements

- (i) Pre- 6 April 1988 GMP;
- (ii) Post-5 April 1988 GMP, and
- (iii) Excess over the GMPs

because pension increases are not normally paid by the Scheme on the Pre-6 April 1988 GMP once the member reaches State pensionable age or are only normally paid up to 3% each year in the case of the post-5 April 1988 GMP. In any case of a member who has attained State pensionable age where the authority maintaining the other fund is paying pension increases on the whole of the pre-1988 GMP or paying pension increases in excess of 3% or the post-5 April 1988 GMP, the capitalised value of that part of the GMP, or the whole of it, as appropriate, should be obtained using the factor for the excess of the member's pension over the GMP. For a member who has not attained State pensionable age, it is only the GMP which accrued during the earlier employment which should be brought into the calculation together with that associated with any prior transferred in service.



9. The spouse's contingent GMP is half the member's GMP except that there is no pre-6 April 1988 contingent widower's GMP.
10. The calculation of the capital value of a member's pension and contingent spouse's pension should include an amount for the contingent pension to the spouse of a member who is not married as well as for a member who is married. The values have been adjusted for an assumed proportion of members not being married.
11. It should be noted that the factors for £1 p.a. GMP to members under State pensionable age include the value of a pension of 1 p.a., increasing in line with prices, for the period until State pensionable age.
12. Examples of the calculation of the capital value of a member's and contingent spouse's pension are attached at Appendix 1.

Capital value of surviving spouse's pension or a children's pension

Pensions increases

13. It is important that the total spouse's pension or children's pension to which the factors are to be applied is the current level of pension for which the other fund has been relieved as at the date from which benefits based on the combined service are payable by the new fund. In some circumstances, a widow does not inherit half her late husband's GMP, and a widower does not inherit half his late wife's post 5-April 1988 GMP. It is therefore important that a statement or notification has been received by the Scheme from DSS as to the liability for a widow(er)'s GMP and its amount. It is also important that the factors are applied to the notified widow(er)'s GMP including any inflation proofing since the death of the member for which the Scheme is liable.

Table C

14. Table C is for use in valuing a surviving spouse's or children's pension. It is necessary to apply separate factors to the three elements

- (i) Pre- 6 April 1988 GMP (widow's only);
- (ii) Post-5 April 1988 GMP; and
- (iii) Excess over the GMPs.

because pension increases on the pre-6 April 1988 GMP and pension increases in excess of 3% on the post-5 April 1988 GMP would not normally be paid by the Scheme. An Alternative Table C is provided for cases where the spouse's pension ceases on remarriage or cohabitation.

15. Separate factors are not provided to be applied to the post-5 April 1988 GMP of widowers under age 65, because we understand that full increases are paid by the Scheme on this element of the pension until the widower attains age 65, and also after that age in most cases where the man was under age 65 when his wife died. As we understand that the State will only generally meet pension increases above 3% on the post-5 April 1988 GMP of a man over 65 if he was over 65 and his wife was over 60 when she died, the capital value of the post-5 April 1988 GMP of a man over 65 should be calculated using the factor for the excess of the man's pension over the post-5 April 1988 GMP in any



case where the Scheme is paying increases in excess of 3% on the post-5 April 1988 GMP of a man over 65.

16. Also, in any case where the scheme is paying pension increases on the whole of a widow's pre-6 April 1988 GMP (or paying increases in excess of 3% on the post-1988 element of a widow's GMP), the capital value of that part of the GMP, or the whole of it (as appropriate), should be calculated using the factor for the excess of the woman's pension over the GMP.
17. Examples of the capital value of a pension in payment to a surviving spouse are attached at Appendix 2.

Table D

18. Table D is for use in valuing a children's long-term pension in payment to, or in respect of, a child or children of a deceased member. Where the administering authority has not apportioned a children's long-term pension among the eligible children, it should be assumed that it is apportioned equally between the two youngest eligible children.

Period for which factors apply

19. As the factors are not subject to market conditions at the date the capital value of the pensions are determined, it is recommended that they should be subject to periodic review. It is suggested that the first such review should take place after the completion of the actuarial valuation as at 31 March 1998.

R. T. Foster

R T Foster
22 June 1998



Table A: Factors for member's pension

Factors for valuing pensions in payment for the purposes of Regulation 127.

Capital value of an annual pension of £1 to the member.

Age last birthday of member at date of valuation	Male members			Female members		
	Pre 88 GMP £	Post 88 GMP £	Excess over GMP £	Pre 88 GMP £	Post 88 GMP £	Excess over GMP £
50	14.72	15.94	16.53	14.31	16.52	17.67
51	14.37	15.61	16.22	13.95	16.22	17.39
52	14.01	15.28	15.90	13.59	15.91	17.11
53	13.64	14.94	15.58	13.22	15.59	16.81
54	13.26	14.59	15.24	12.83	15.26	16.51
55	12.87	14.24	14.91	12.43	14.92	16.20
56	12.47	13.87	14.56	12.03	14.57	15.88
57	12.06	13.50	14.20	11.61	14.21	15.55
58	11.64	13.12	13.84	11.18	13.84	15.22
59	11.21	12.73	13.48	10.61	13.42	14.88
60	10.78	12.34	13.10	10.18	13.05	14.53
61	10.33	11.94	12.72	10.01	12.76	14.17
62	9.87	11.53	12.34	9.84	12.47	13.80
63	9.41	11.12	11.96	9.66	12.16	13.43
64	8.86	10.68	11.57	9.47	11.85	13.05
65	8.43	10.28	11.18	9.27	11.54	12.67
66	8.20	9.95	10.79	9.06	11.21	12.27
67	7.97	9.61	10.40	8.84	10.88	11.88
68	7.74	9.28	10.01	8.62	10.54	11.47
69	7.51	8.94	9.63	8.38	10.19	11.06
70	7.27	8.61	9.24	8.14	9.84	10.65
71	7.03	8.28	8.87	7.90	9.48	10.24
72	6.79	7.95	8.49	7.65	9.13	9.83
73	6.55	7.63	8.13	7.39	8.77	9.43
74	6.31	7.31	7.77	7.14	8.42	9.02
75	6.07	6.99	7.42	6.88	8.07	8.62
76	5.83	6.69	7.07	6.62	7.72	8.23
77	5.60	6.38	6.74	6.37	7.38	7.85
78	5.37	6.09	6.41	6.11	7.05	7.48
79	5.15	5.81	6.10	5.86	6.73	7.12
80	4.92	5.53	5.80	5.62	6.42	6.78
81	4.71	5.26	5.51	5.39	6.12	6.45
82	4.50	5.00	5.23	5.16	5.83	6.13
83	4.30	4.76	4.96	4.94	5.56	5.83
84	4.10	4.52	4.70	4.73	5.30	5.55
85	3.91	4.29	4.46	4.53	5.05	5.28
86	3.73	4.07	4.22	4.34	4.82	5.03
87	3.55	3.87	4.00	4.16	4.60	4.79
88	3.38	3.67	3.79	3.99	4.39	4.57
89	3.22	3.48	3.59	3.83	4.20	4.37
90	3.07	3.30	3.40	3.68	4.02	4.17



A.J.H.

Table B: Factors for contingent spouse's pension

Factors for valuing contingent pensions to spouses of members in receipt of pension for the purposes of Regulation 127.

Capital value of a contingent annual pension of £1 to a member's spouse.

Age last birthday of member at date of valuation	Male member's contingent widow's pension			Female member's contingent widower's pension	
	Pre-88 GMP £	Post 88 GMP £	Excess over GMP £	Post 88 GMP £	Excess over GMP £
50	1.23	1.99	2.40	0.70	0.80
51	1.27	2.04	2.47	0.71	0.82
52	1.32	2.10	2.53	0.72	0.83
53	1.37	2.16	2.59	0.73	0.85
54	1.41	2.21	2.65	0.74	0.86
55	1.46	2.27	2.71	0.75	0.87
56	1.50	2.32	2.77	0.76	0.89
57	1.55	2.37	2.83	0.77	0.90
58	1.59	2.42	2.88	0.77	0.91
59	1.63	2.47	2.94	0.77	0.92
60	1.67	2.52	2.99	0.77	0.92
61	1.71	2.56	3.03	0.77	0.92
62	1.74	2.60	3.08	0.77	0.91
63	1.77	2.63	3.11	0.77	0.90
64	1.75	2.65	3.15	0.77	0.89
65	1.74	2.66	3.17	0.76	0.88
66	1.78	2.67	3.16	0.75	0.86
67	1.81	2.68	3.15	0.73	0.84
68	1.83	2.68	3.13	0.72	0.82
69	1.85	2.67	3.10	0.70	0.79
70	1.86	2.65	3.06	0.68	0.76
71	1.87	2.62	3.01	0.66	0.73
72	1.86	2.58	2.95	0.63	0.70
73	1.85	2.53	2.87	0.60	0.66
74	1.82	2.46	2.78	0.56	0.62
75	1.79	2.39	2.69	0.53	0.58
76	1.75	2.30	2.58	0.49	0.53
77	1.69	2.21	2.46	0.45	0.49
78	1.63	2.11	2.34	0.41	0.44
79	1.56	1.99	2.20	0.36	0.39
80	1.49	1.88	2.06	0.32	0.35
81	1.40	1.75	1.92	0.28	0.30
82	1.31	1.62	1.77	0.24	0.26
83	1.22	1.49	1.62	0.21	0.22
84	1.12	1.36	1.47	0.17	0.18
85	1.02	1.23	1.33	0.14	0.15
86	0.92	1.10	1.19	0.12	0.12
87	0.82	0.98	1.05	0.09	0.10
88	0.73	0.86	0.92	0.07	0.08
89	0.64	0.75	0.80	0.05	0.06
90	0.55	0.64	0.69	0.04	0.04



Table C: Factors for surviving spouse's pension

Factors for valuing pensions in payment under Regulation 127.

Capital value of an annual pension of £1 to the widow or widower of a member.

Age last birthday of widow(er) at date of valuation	Female, widow of member			Male, widower of member	
	Pre 88 GMP	Post 88 GMP	Excess over GMP	Post 88 GMP	Excess over GMP
16	20.05	22.07	23.27		22.88
17	19.84	21.94	23.19		22.78
18	19.62	21.80	23.10		22.69
19	19.38	21.65	23.01		22.59
20	19.12	21.49	22.91		22.49
21	18.85	21.33	22.81		22.38
22	18.57	21.16	22.71		22.27
23	18.29	20.98	22.60		22.15
24	18.01	20.81	22.49		22.03
25	17.73	20.63	22.38		21.90
26	17.45	20.45	22.26		21.76
27	17.18	20.27	22.13		21.62
28	16.91	20.09	22.00		21.48
29	16.64	19.91	21.87		21.32
30	16.37	19.72	21.73		21.17
31	16.11	19.54	21.59		21.00
32	15.85	19.35	21.44		20.83
33	15.60	19.16	21.28		20.65
34	15.34	18.97	21.12		20.47
35	15.08	18.77	20.95		20.28
36	14.83	18.57	20.78		20.08
37	14.58	18.38	20.60		19.87
38	14.34	18.18	20.42		19.66
39	14.11	17.97	20.23		19.44
40	13.88	17.77	20.03		19.21
41	13.65	17.57	19.83		18.98
42	13.43	17.36	19.62		18.74
43	13.21	17.15	19.40		18.49
44	13.01	16.94	19.17		18.23
45	12.81	16.72	18.94		17.97
46	12.61	16.51	18.70		17.69
47	12.42	16.29	18.46		17.41
48	12.24	16.07	18.20		17.13
49	12.06	15.85	17.94		16.83
50	11.89	15.62	17.67		16.53
51	11.72	15.39	17.39		16.22
52	11.55	15.15	17.11		15.90
53	11.38	14.91	16.81		15.58
54	11.21	14.66	16.51		15.24
55	11.04	14.41	16.20		14.91
56	10.87	14.15	15.88		14.56
57	10.70	13.88	15.55		14.20
58	10.52	13.61	15.22		13.84
59	10.35	13.33	14.88		13.48

A.J.F.

Table C: Factors for surviving spouse's pension - continued

Factors for valuing pensions in payment for the purposes of Regulation 127.

Capital value of an annual pension of £1 to the widow or widower of a member.

Age last birthday of widow(er) at date of valuation	Female, widow of member			Male, widower of member	
	Pre 88 GMP	Post 88 GMP	Excess over GMP	Post 88 GMP	Excess over GMP
60	10.18	13.05	14.53		13.10
61	10.01	12.76	14.17		12.72
62	9.84	12.47	13.80		12.34
63	9.66	12.16	13.43		11.96
64	9.47	11.85	13.05		11.57
65	9.27	11.54	12.67	10.28	11.18
66	9.06	11.21	12.27	9.95	10.79
67	8.84	10.88	11.88	9.61	10.40
68	8.62	10.53	11.47	9.28	10.01
69	8.38	10.19	11.06	8.94	9.63
70	8.14	9.84	10.65	8.61	9.24
71	7.90	9.48	10.24	8.28	8.87
72	7.65	9.13	9.83	7.95	8.49
73	7.39	8.77	9.43	7.63	8.13
74	7.14	8.42	9.02	7.31	7.77
75	6.88	8.07	8.62	6.99	7.42
76	6.62	7.72	8.23	6.69	7.07
77	6.37	7.38	7.85	6.38	6.74
78	6.11	7.05	7.48	6.09	6.41
79	5.86	6.73	7.12	5.81	6.10
80	5.62	6.42	6.78	5.53	5.80
81	5.39	6.12	6.45	5.26	5.51
82	5.16	5.83	6.13	5.00	5.23
83	4.94	5.56	5.83	4.76	4.96
84	4.73	5.29	5.55	4.52	4.70
85	4.53	5.05	5.28	4.29	4.46
86	4.34	4.82	5.03	4.07	4.22
87	4.16	4.60	4.79	3.87	4.00
88	3.99	4.39	4.57	3.67	3.79
89	3.83	4.20	4.37	3.48	3.59
90	3.68	4.02	4.17	3.30	3.40



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Table D: Factors for children's pension

Factors for valuing pensions in payment for the purposes of Regulation 127.

Capital value of an annual pension of £1 to a child of a member.

Age last birthday of child	Factor for children's pension or part of children's pension of £1 p.a. £
0	13.20
1	12.71
2	12.20
3	11.67
4	11.12
5	10.54
6	9.94
7	9.32
8	8.67
9	8.00
10	7.30
11	6.57
12	5.81
13	5.03
14	4.21
15	3.36
16	2.47
17	2.83
18	2.38
19	1.92
20	0.98
21	0.25



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Alternative Table B: Factors for contingent spouse's pension which ceases on remarriage or cohabitation

Factors for valuing contingent pensions to spouses of members in receipt of pensions for the purposes of Regulation 127.

Capital value of a contingent annual pension of £1 to a member's spouse ceasing on remarriage or cohabitation.

Age last birthday of member at date of valuation	Male member's contingent widow's pension			Female member's contingent widower's pension	
	Pre 88 GMP £	Post 88 GMP £	Excess over GMP £	Post 88 GMP £	Excess over GMP £
50	1.20	1.96	2.38	0.67	0.78
51	1.25	2.02	2.45	0.68	0.79
52	1.30	2.08	2.51	0.70	0.81
53	1.35	2.14	2.58	0.71	0.83
54	1.40	2.20	2.64	0.73	0.85
55	1.45	2.26	2.70	0.74	0.86
56	1.50	2.31	2.76	0.75	0.88
57	1.54	2.37	2.82	0.76	0.89
58	1.59	2.42	2.88	0.77	0.90
59	1.63	2.47	2.93	0.77	0.92
60	1.67	2.52	2.98	0.77	0.92
61	1.71	2.56	3.03	0.77	0.92
62	1.74	2.60	3.08	0.77	0.91
63	1.77	2.63	3.11	0.77	0.90
64	1.75	2.65	3.15	0.77	0.89
65	1.74	2.66	3.17	0.76	0.88
66	1.78	2.67	3.16	0.75	0.86
67	1.81	2.68	3.15	0.73	0.84
68	1.83	2.68	3.13	0.72	0.82
69	1.85	2.67	3.10	0.70	0.79
70	1.86	2.65	3.06	0.68	0.76
71	1.87	2.62	3.01	0.66	0.73
72	1.86	2.58	2.95	0.63	0.70
73	1.85	2.53	2.87	0.60	0.66
74	1.82	2.46	2.78	0.56	0.62
75	1.79	2.39	2.69	0.53	0.58
76	1.75	2.30	2.58	0.49	0.53
77	1.69	2.21	2.46	0.45	0.49
78	1.63	2.11	2.34	0.41	0.44
79	1.56	1.99	2.20	0.36	0.39
80	1.49	1.88	2.06	0.32	0.35
81	1.40	1.75	1.92	0.28	0.30
82	1.31	1.62	1.77	0.24	0.26
83	1.22	1.49	1.62	0.21	0.22
84	1.12	1.36	1.47	0.17	0.18
85	1.02	1.23	1.33	0.14	0.15
86	0.92	1.10	1.19	0.12	0.12
87	0.82	0.98	1.05	0.09	0.10
88	0.73	0.86	0.92	0.07	0.08
89	0.64	0.75	0.80	0.05	0.06
90	0.55	0.64	0.69	0.04	0.04

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Alternative Table C: Factors for surviving spouse's pension which ceases on remarriage or cohabitation

Factors for valuing pensions in payment for the purposes of Regulation 127.

Capital value of an annual pension of £1 to the widow(er) of a member which ceases on the remarriage or cohabitation of the widow(er).

Age last birthday of widow(er) at date of valuation	Female, widow of member			Male, widower of member	
	Pre 88 GMP	Post 88 GMP	Excess over GMP	Post 88 GMP	Excess over GMP
16	6.98	9.00	10.20		8.69
17	7.08	9.17	10.42		8.66
18	7.19	9.37	10.67		8.62
19	7.32	9.59	10.94		8.58
20	7.47	9.84	11.26		8.54
21	7.65	10.13	11.61		8.61
22	7.84	10.43	11.98		8.67
23	8.02	10.72	12.34		8.74
24	8.20	11.00	12.69		8.82
25	8.37	11.28	13.02		8.91
26	8.54	11.54	13.34		9.01
27	8.70	11.79	13.65		9.13
28	8.86	12.04	13.95		9.25
29	9.01	12.28	14.24		9.40
30	9.15	12.50	14.51		9.57
31	9.29	12.71	14.76		9.75
32	9.42	12.91	15.00		9.96
33	9.55	13.12	15.24		10.20
34	9.69	13.32	15.47		10.47
35	9.82	13.51	15.69		10.74
36	9.94	13.69	15.90		10.98
37	10.06	13.86	16.08		11.17
38	10.18	14.01	16.25		11.33
39	10.28	14.15	16.40		11.46
40	10.38	14.27	16.53		11.59
41	10.47	14.39	16.65		11.71
42	10.56	14.49	16.75		11.81
43	10.64	14.58	16.83		11.90
44	10.71	14.64	16.88		11.99
45	10.77	14.68	16.90		12.08
46	10.81	14.71	16.90		12.16
47	10.84	14.71	16.88		12.24
48	10.86	14.69	16.82		12.29
49	10.87	14.65	16.75		12.34
50	10.86	14.59	16.64		12.38
51	10.84	14.51	16.51		12.42
52	10.81	14.41	16.37		12.44
53	10.77	14.30	16.20		12.45
54	10.73	14.17	16.02		12.44
55	10.67	14.04	15.83		12.42

