



# Government Actuary's Department

## **Local Government Pension Scheme (Scotland)**

**Purchase of additional pension – contracts commencing on or after  
1 April 2015 or paid for by the employer**

Date: 26 February 2015  
Authors: Ian Boonin FIA  
Neville Hosegood FIA



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## 1 Introduction

- 1.1 The Scottish Ministers are required under the Local Government Pension Scheme (Scotland) Regulations 2014 ('the 2014 Regulations') (SSI 2014/164) to issue actuarial guidance on the amount of contributions to be paid by a member purchasing additional pension, or by an employing authority purchasing additional pension for a member.
- 1.2 The remainder of this introduction contains:
- > details of the implementation and future review of this guidance,
  - > the relevant legislative references, and
  - > statements about third party reliance and liability.
- 1.3 In the remainder of this note:
- > Sections 2 to 5 cover details of the benefits and contributions as well other considerations.
  - > Section 6 contains illustrative example calculations of the lump sums or monthly contributions payable to purchase additional pension.
  - > Sections 7 to 13 contain the factors.
  - > Appendices A and B quote the relevant statutory references
  - > Appendix C sets out some important limitations
- 1.4 The Government Actuary's Department (GAD) seeks to achieve a high standard in all our work. Please go to our [website](#)<sup>1</sup> for details of the standards we apply.

### Implementation and Review

- 1.5 The Scottish Ministers are required to consult the Scheme Actuary before issuing actuarial guidance under the 2014 Regulations [Regulation 2(3) of the 2014 Regulations].
- 1.6 As part of this consultation the Scottish Public Pensions Agency (SPPA) 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.
- 1.7 This note has effect only when this guidance is issued by the Scottish Ministers in accordance with Regulation 2(3) of the 2014 Regulations, and is subject to the implementation instructions provided at that time.

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<sup>1</sup> <https://www.gov.uk/government/organisations/government-actuaries-department/about/terms-of-reference>



- 1.8 This guidance only applies to elections under regulation 16 or awards made under regulations 16 or 30 of the 2014 Regulations. These regulations come into force on 1 April 2015.
- 1.9 This guidance has been written for pension administrators and assumes some knowledge of general pension terminology, and some familiarity with retirement calculations for the Local Government Pension Scheme. Any questions concerning the application of the guidance should, in the first instance, be referred to SPPA.
- 1.10 GAD recommends that 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.

#### **Use of this note**

- 1.11 This note has been prepared for SPPA and can be relied upon by them. We are content for this note to be released to third parties, provided that:
- > it is released in full;
  - > the advice is not quoted selectively or partially; and
  - > GAD is identified as the source of the note.
- 1.12 Third parties may wish to seek their own actuarial advice where appropriate. GAD has no liability to any person or third party for any act or omission taken, either in whole or in part, on the basis of this note.

#### **Third party reliance**

- 1.13 When issued by the Scottish Ministers in accordance with paragraph 1.7 above, this note should be used as the actuarial guidance required under the regulations cited. Other than for this purpose, no person or third party is entitled to place any reliance on the contents of this note, except to any extent explicitly stated herein.



## 2 Benefits Purchased

- 2.1 The maximum amount of additional pension that may be purchased by a member under Regulation 16 is £6,500 from 1st April 2015. This amount increases on 1 April 2016 and annually thereafter in line with the Pensions (Increase) Act orders and is based on a Pensions Increase beginning date of 1 April 2015.
- 2.2 The maximum amount of additional pension that may be purchased by an employer under regulation 30 is £5,000 from 1 April 2015. This amount increases on 1 April 2016 and annually thereafter in line with the Pensions (Increase) Act orders and is based on a Pensions Increase beginning date of 1 April 2015.
- 2.3 The amount of additional pension purchased is increased each April after the first contribution or lump sum payment has been made. Once in payment, the additional pension continues to be increased by reference to the Pensions Increase Act.
- 2.4 All additional pension purchased provides benefits for the member only, i.e. there are no attaching spouse's, partner's or children's benefits. The pension will be paid at the member's State Pension Age ('SPA') (or age 65 if higher), which may not be the same as their anticipated SPA when the arrangement commences.



### 3 Contributions

- 3.1 Additional pension to be purchased by the member, or by the member and the employer in the case of a shared cost additional pension contribution arrangement, can be paid for by regular contributions. These are to be paid over a whole number of years not exceeding the period to the member's normal pension age under the 2014 Regulations. For example, a member with State Pension Age 66 and 2 months could not commence an arrangement after they reach age 65 and 2 months.
- 3.2 A member can also purchase additional pension by making a lump sum payment.
- 3.3 Arrangements, wherever possible, should commence from the next payment period after the administering authority notifies the member that their request to buy additional pension has been accepted. Suitable adjustments should be made if a member is not paid on a monthly basis.
- 3.4 Employer-purchased additional pension must be paid for by lump sum except where the employer contribution is part of a shared cost additional pension contribution arrangement.
- 3.5 Tables are attached to this document that should be used to determine the additional contributions, expressed as a lump sum or monthly payment amount, for an increase in pension of £250 a year.
- 3.6 The factor depends on the member's age at their last birthday before the date contributions start, their sex, their anticipated normal pension age under the 2014 Regulations and on the payment period selected. SPPA has confirmed that State Pension Age for this purpose should be as set out in HM Treasury Directions made in exercise of the powers conferred on them by sections 11(2) and 12(3) of the Public Service Pensions Act 2013<sup>2</sup>, and not legislation in force at the guarantee date.
- 3.7 Regular contributions are the same amount each month and are not indexed. However, contribution rates in this note are subject to change in the future. Any revision to rates would apply to any additional pension arrangements that still had contributions outstanding at the time of the revision. The revised contributions would take effect for existing arrangements on the 1 April following the revision and would apply only to the future contributions due under the arrangement.
- 3.8 A member who ceases to be an active member must stop contributing for additional pension. An active member may stop contributing for additional pension if he or she notifies the administering authority in writing. Section 4 deals with the benefits applicable upon cessation of contributions before the end of the term.

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<sup>2</sup> A consolidated version of HM Treasury Directions dated 11 March 2014, including amendments made up to and including 27 November 2014, is found in the following link (SPA assumptions are set out at direction 18):  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/318029/valuations\\_and\\_cost\\_cap\\_directions\\_final\\_020614.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/318029/valuations_and_cost_cap_directions_final_020614.pdf)



### Calculating the contribution

3.9 To calculate the contribution payable, do the following.

3.9.1 Where the member is below normal pension age:

- > Look up the relevant factor in Tables A-D (depending on the sex of the member and whether the purchase is by lump sum or regular contributions). No interpolation is required. (Call this **A1**).
- > Look up the relevant SPA adjustment factor in Table E based on the individual member's anticipated SPA (as set out in HM Treasury Directions – see paragraph 3.6). Interpolate for members with a non-integer SPA. (Call this **B1**).
- > Calculate the contribution **£C1** for an amount of additional pension **£P** as:  
**£C1 = A1 x B1 x £P / 250**

3.9.2 Where the member has already reached normal pension age:

- > Look up the relevant factor in Tables F and G (depending on the sex of the member: additional pension purchase at these ages is by lump sum contributions only). Interpolate between SPA columns for members with a non-integer SPA. (Call this **A2**).
- > Calculate the lump sum contribution **£C2** for an amount of additional pension **£P** as:  
**£C2 = A2 x £P / 250**

Note that the additional pension **£P** in this subsection will be adjusted by a late retirement factor from normal pension age up to the date of actual retirement. So the additional pension **£P** should be expressed as a pension amount at normal pension age and not at the date that the additional contribution is made.



## 4 Cessation of contributions

- 4.1 Regulation 16(13) of the 2014 regulations provides that, at the end of each scheme year (or the date when the additional contributions cease) the relevant proportion of additional pension purchased during the scheme year is added to the active member's pension account. Except where cessation is due to the member starting to receive an ill-health Tier 1 or Tier 2 pension, the relevant proportion should be pro rata to the number of monthly contributions actually paid compared to the number of monthly contributions that were due to have been paid over the term of the arrangement. Revaluation adjustments are then applied under Regulation 23(2).
- 4.2 A member who retires with an ill health Tier 1 or Tier 2 pension is treated as having paid all their contributions and an appropriate 'top up' adjustment is made to their active member's pension account in accordance with regulation 16(14) of the 2014 Regulations.
- 4.3 On early retirement (before normal pension age under the 2014 Regulations), to allow for early payment an actuarial reduction will apply to the additional pension purchased (or granted) under:
- > Regulation 16; or
  - > Regulation 30, except where Regulation 29(7)(b) applies (ie the member is aged 55 or over and is dismissed by reason of redundancy or business efficiency, or whose employment is terminated by mutual consent on grounds of business efficiency).
- 4.4 The additional pension, however, is payable without reduction if the member retires with a Tier 1 or Tier 2 ill health pension.
- 4.5 On late retirement (after normal pension age under the 2014 Regulations), an increase in line with the guidance on late retirement will be applied to the additional pension.





## 5 Other Considerations

- 5.1 The HMRC limits on the tax relief in respect of pension contributions and the HMRC Annual and Lifetime Allowance apply to additional pension contributions and benefits.
- 5.2 Administering authorities have the option to request a medical report from members wishing to purchase additional pension and if the report does not satisfy the authority that the member is in reasonably good health, it may refuse the request to purchase additional pension.
- 5.3 Purchase of additional pension has no effect on a member's 'rule of 85' retirement age except for the limited scenario in paragraph 4(2)(a)(iii) of Schedule 2 to The Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 ('the 2015 Scheme Transitional Regulations'). Additional pension is reduced for payment before normal pension age under the 2014 Regulations in normal health even if all the member's other benefits are payable unreduced from an earlier age due to the 'rule of 85', or due to retirement on the grounds of redundancy or business efficiency.



## 6 Examples

### Example 1: New arrangement – lump sum

#### Member Details

Date of Birth	1 February 1976
Sex	Male
Normal Pension Age (illustrative)	67

#### Additional Pension arrangement

Amount of AP purchased	£2,000 pa
Form of payment	Lump sum

#### Cost of AP arrangement

Relevant Tables	<b>Tables A &amp; E</b>
Age at payment	39
Cost of £250 pa of AP	£1,987
Adjustment factor for 39 year old, normal pension age 67	0.90
Lump sum required to purchase the full AP	$= \frac{2,000}{250} \times 1,987 \times 0.90 = £14,306.40$

### Example 2: New arrangement - regular contributions

#### Member Details

Date of Birth	14 August 1960
Sex	Female
Normal Pension Age (illustrative)	66 years and 5 months

#### Additional Pension arrangement

Amount of AP purchased	£1750 pa
Form of payment	Regular Contributions over 8 years

#### Cost of AP arrangement

Relevant Tables	<b>Tables D &amp; E</b>
Age at first contribution	55
Cost of £250 pa of AP	£42.35 (per month)
Adjustment factor for pension age 66	0.95
Adjustment factor for pension age 67	0.91
Adjustment factor for pension age 66 years and 5 months	0.9333
Contribution required to purchase the full AP	$= \frac{1750}{250} \times 42.35 \times 0.9333 = £276.68$ (per month)



## 7 Table A – Additional pension – lump sum contributions – Males below NPA

Lump sum contributions to be made by a member or an employing authority that has elected to make an additional contribution to the LGPS to increase a male member's benefits. This table applies where the member has not reached his normal pension age at the time the additional contribution is made.

Age at payment	Lump sum contribution (£) for an increase in pension of £250 a year
16	1,073
17	1,103
18	1,133
19	1,164
20	1,196
21	1,228
22	1,262
23	1,296
24	1,332
25	1,368
26	1,405
27	1,443
28	1,482
29	1,523
30	1,564
31	1,606
32	1,650
33	1,694
34	1,740
35	1,787
36	1,835
37	1,884
38	1,935
39	1,987
40	2,040
41	2,095

Age at payment	Lump sum contribution (£) for an increase in pension of £250 a year
42	2,151
43	2,208
44	2,267
45	2,327
46	2,389
47	2,453
48	2,518
49	2,585
50	2,654
51	2,725
52	2,798
53	2,873
54	2,951
55	3,031
56	3,114
57	3,201
58	3,292
59	3,387
60	3,486
61	3,591
62	3,701
63	3,817
64	3,940
65	4,032
66	4,135
67	4,200



## 8 Table B – Additional pension – lump sum contribution – Females below NPA

Lump sum contributions to be made by a member or an employing authority that has elected to make an additional contribution to the LGPS to increase a female member's benefits. This table applies where the member has not reached her normal pension age at the time the additional contribution is made.

Age at payment	Lump sum contribution (£) for an increase in pension of £250 a year
16	1,153
17	1,185
18	1,218
19	1,251
20	1,286
21	1,321
22	1,358
23	1,395
24	1,434
25	1,473
26	1,514
27	1,555
28	1,598
29	1,642
30	1,687
31	1,733
32	1,780
33	1,829
34	1,879
35	1,930
36	1,983
37	2,037
38	2,092
39	2,149
40	2,208
41	2,268

Age at payment	Lump sum contribution (£) for an increase in pension of £250 a year
42	2,329
43	2,392
44	2,457
45	2,523
46	2,591
47	2,661
48	2,733
49	2,807
50	2,883
51	2,961
52	3,041
53	3,123
54	3,208
55	3,296
56	3,387
57	3,480
58	3,577
59	3,678
60	3,783
61	3,891
62	4,005
63	4,123
64	4,247
65	4,359
66	4,431
67	4,562

## 9 Table C – Additional Pension – regular monthly contributions – Males below NPA

Monthly contributions (£) to be made by a male member who has elected to make an additional contribution to the LGPS to increase his pension by £250 a year.

Age at first contribution	Arrangement length (years)															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
16	91.65	46.95	32.06	24.62	20.17	17.20	15.09	13.51	12.29	11.31	10.51	9.85	9.30	8.83	8.42	8.06
17	94.16	48.23	32.93	25.29	20.72	17.67	15.50	13.88	12.62	11.62	10.80	10.13	9.55	9.07	8.65	8.28
18	96.74	49.55	33.84	25.99	21.28	18.16	15.93	14.26	12.97	11.94	11.10	10.40	9.82	9.32	8.89	8.51
19	99.38	50.91	34.76	26.70	21.87	18.65	16.36	14.65	13.32	12.27	11.40	10.69	10.09	9.57	9.13	8.75
20	102.10	52.30	35.71	27.43	22.47	19.16	16.81	15.05	13.69	12.60	11.72	10.98	10.36	9.84	9.38	8.99
21	104.89	53.73	36.69	28.18	23.08	19.69	17.27	15.46	14.06	12.95	12.04	11.28	10.65	10.11	9.64	9.23
22	107.75	55.19	37.69	28.95	23.71	20.23	17.74	15.89	14.45	13.30	12.37	11.59	10.94	10.38	9.90	9.49
23	110.69	56.70	38.72	29.74	24.36	20.78	18.23	16.32	14.84	13.67	12.71	11.91	11.24	10.67	10.18	9.75
24	113.70	58.24	39.77	30.55	25.02	21.35	18.73	16.77	15.25	14.04	13.05	12.24	11.55	10.96	10.45	10.02
25	116.80	59.83	40.86	31.38	25.71	21.93	19.24	17.23	15.67	14.42	13.41	12.57	11.86	11.26	10.74	10.29
26	119.98	61.46	41.97	32.24	26.41	22.53	19.76	17.70	16.10	14.82	13.78	12.92	12.19	11.57	11.04	10.57
27	123.24	63.13	43.11	33.11	27.13	23.14	20.30	18.18	16.54	15.22	14.16	13.27	12.52	11.89	11.34	10.87
28	126.58	64.85	44.28	34.02	27.86	23.77	20.86	18.68	16.99	15.64	14.54	13.63	12.87	12.22	11.65	11.16
29	130.02	66.61	45.49	34.94	28.62	24.42	21.43	19.19	17.45	16.07	14.94	14.01	13.22	12.55	11.97	11.47
30	133.55	68.42	46.72	35.89	29.40	25.09	22.01	19.71	17.93	16.51	15.35	14.39	13.59	12.90	12.30	11.79
31	137.17	70.27	47.99	36.87	30.20	25.77	22.61	20.25	18.42	16.96	15.77	14.79	13.96	13.25	12.64	12.12
32	140.88	72.18	49.29	37.87	31.02	26.47	23.23	20.80	18.92	17.42	16.21	15.19	14.34	13.62	12.99	12.45

### Table C - Additional Pension – regular monthly contributions – Males below NPA (2)

Monthly contributions (£) to be made by a male member who has elected to make an additional contribution to the LGPS to increase his pension by £250 a year.

Age at first contribution	Arrangement length (years)															
	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
16	7.75	7.48	7.23	7.01	6.82	6.64	6.48	6.34	6.21	6.09	5.98	5.87	5.78	5.70	5.62	5.54
17	7.96	7.68	7.43	7.21	7.01	6.83	6.66	6.51	6.38	6.25	6.14	6.04	5.94	5.85	5.77	5.70
18	8.18	7.89	7.64	7.41	7.20	7.01	6.85	6.69	6.55	6.43	6.31	6.20	6.11	6.02	5.93	5.86
19	8.41	8.11	7.85	7.61	7.40	7.21	7.03	6.88	6.74	6.61	6.49	6.38	6.28	6.18	6.10	6.02
20	8.64	8.33	8.06	7.82	7.60	7.41	7.23	7.07	6.92	6.79	6.67	6.55	6.45	6.36	6.27	6.19
21	8.88	8.56	8.28	8.04	7.81	7.61	7.43	7.26	7.11	6.98	6.85	6.74	6.63	6.53	6.44	6.36
22	9.12	8.80	8.51	8.26	8.03	7.82	7.63	7.47	7.31	7.17	7.04	6.92	6.82	6.72	6.62	6.54
23	9.37	9.04	8.75	8.48	8.25	8.04	7.85	7.67	7.51	7.37	7.24	7.12	7.01	6.90	6.81	6.72
24	9.63	9.29	8.99	8.72	8.48	8.26	8.06	7.89	7.72	7.58	7.44	7.32	7.20	7.10	7.00	6.91
25	9.90	9.55	9.24	8.96	8.71	8.49	8.29	8.10	7.94	7.79	7.65	7.52	7.40	7.30	7.20	7.11
26	10.17	9.81	9.49	9.21	8.95	8.72	8.52	8.33	8.16	8.00	7.86	7.73	7.61	7.50	7.40	7.31
27	10.45	10.08	9.75	9.46	9.20	8.97	8.76	8.56	8.39	8.23	8.08	7.95	7.83	7.72	7.61	7.52
28	10.74	10.36	10.02	9.73	9.46	9.22	9.00	8.80	8.62	8.46	8.31	8.18	8.05	7.94	7.83	7.73
29	11.03	10.65	10.30	10.00	9.72	9.47	9.25	9.05	8.87	8.70	8.55	8.41	8.28	8.16	8.06	7.96
30	11.34	10.94	10.59	10.27	9.99	9.74	9.51	9.30	9.12	8.95	8.79	8.65	8.52	8.40	8.29	8.19
31	11.65	11.25	10.88	10.56	10.27	10.01	9.78	9.57	9.38	9.20	9.04	8.90	8.76	8.64	8.53	8.43
32	11.98	11.56	11.19	10.86	10.56	10.30	10.06	9.84	9.64	9.46	9.30	9.15	9.02	8.89	8.78	8.68

### Table C - Additional Pension – regular monthly contributions – Males below NPA (3)

Monthly contributions (£) to be made by a male member who has elected to make an additional contribution to the LGPS to increase his pension by £250 a year.

Age at first contribution	Arrangement length (years)																		
	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51
16	5.48	5.41	5.35	5.30	5.25	5.20	5.16	5.12	5.08	5.05	5.01	4.98	4.95	4.93	4.90	4.88	4.87	4.88	4.84
17	5.63	5.56	5.50	5.45	5.40	5.35	5.30	5.26	5.22	5.19	5.15	5.12	5.09	5.07	5.04	5.03	5.04	5.00	
18	5.79	5.72	5.66	5.60	5.55	5.50	5.45	5.41	5.37	5.34	5.30	5.27	5.24	5.21	5.20	5.20	5.17		
19	5.95	5.88	5.82	5.76	5.70	5.65	5.61	5.56	5.52	5.49	5.45	5.42	5.39	5.38	5.38	5.34			
20	6.11	6.04	5.98	5.92	5.87	5.81	5.77	5.72	5.68	5.64	5.61	5.58	5.56	5.56	5.51				
21	6.28	6.21	6.15	6.09	6.03	5.98	5.93	5.89	5.84	5.81	5.77	5.75	5.75	5.70					
22	6.46	6.39	6.32	6.26	6.20	6.15	6.10	6.05	6.01	5.97	5.95	5.94	5.89						
23	6.64	6.57	6.50	6.44	6.38	6.32	6.27	6.23	6.19	6.16	6.15	6.09							
24	6.83	6.76	6.69	6.62	6.56	6.51	6.46	6.41	6.38	6.37	6.31								
25	7.02	6.95	6.88	6.81	6.75	6.69	6.64	6.61	6.59	6.53									
26	7.23	7.15	7.07	7.01	6.95	6.89	6.85	6.83	6.76										
27	7.43	7.35	7.28	7.21	7.15	7.10	7.08	7.00											
28	7.65	7.56	7.49	7.42	7.37	7.34	7.26												
29	7.87	7.78	7.71	7.65	7.62	7.52													
30	8.10	8.01	7.95	7.91	7.81														
31	8.33	8.26	8.21	8.10															
32	8.59	8.54	8.42																
33	8.88	8.75																	
34	9.10																		

### Table C - Additional Pension – regular monthly contributions – Males below NPA (4)

Monthly contributions (£) to be made by a male member who has elected to make an additional contribution to the LGPS to increase his pension by £250 a year.

Age at first contribution	Arrangement length (years)															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
33	144.69	74.13	50.63	38.89	31.87	27.19	23.86	21.37	19.44	17.90	16.65	15.61	14.74	13.99	13.35	12.80
34	148.60	76.13	52.00	39.95	32.73	27.93	24.51	21.95	19.97	18.39	17.11	16.04	15.14	14.38	13.72	13.15
35	152.61	78.19	53.41	41.03	33.62	28.69	25.18	22.55	20.52	18.90	17.58	16.48	15.56	14.78	14.10	13.52
36	156.72	80.30	54.85	42.14	34.53	29.47	25.86	23.17	21.08	19.42	18.06	16.94	15.99	15.19	14.50	13.90
37	160.94	82.47	56.34	43.29	35.47	30.27	26.57	23.80	21.66	19.95	18.56	17.41	16.44	15.61	14.90	14.29
38	165.27	84.69	57.86	44.46	36.43	31.10	27.29	24.45	22.25	20.50	19.07	17.89	16.89	16.05	15.32	14.69
39	169.72	86.97	59.42	45.66	37.42	31.94	28.04	25.12	22.86	21.06	19.60	18.39	17.37	16.50	15.75	15.11
40	174.27	89.32	61.02	46.90	38.44	32.81	28.81	25.81	23.49	21.65	20.14	18.90	17.85	16.96	16.20	15.53
41	178.95	91.72	62.67	48.17	39.48	33.71	29.59	26.52	24.14	22.24	20.70	19.43	18.35	17.44	16.66	15.98
42	183.74	94.18	64.36	49.47	40.55	34.62	30.40	27.25	24.81	22.86	21.28	19.97	18.87	17.94	17.13	16.44
43	188.66	96.71	66.10	50.81	41.66	35.57	31.24	28.00	25.49	23.50	21.88	20.53	19.41	18.45	17.63	16.92
44	193.71	99.31	67.88	52.19	42.79	36.54	32.10	28.77	26.20	24.16	22.49	21.12	19.96	18.98	18.14	17.41
45	198.90	101.98	69.71	53.60	43.96	37.55	32.98	29.57	26.94	24.84	23.13	21.72	20.54	19.53	18.67	17.93
46	204.22	104.72	71.60	55.06	45.16	38.58	33.90	30.40	27.69	25.54	23.79	22.35	21.13	20.10	19.22	18.46
47	209.68	107.54	73.53	56.56	46.40	39.64	34.84	31.25	28.47	26.27	24.48	22.99	21.75	20.70	19.80	19.02
48	215.30	110.44	75.53	58.10	47.67	40.74	35.81	32.13	29.28	27.02	25.19	23.67	22.40	21.32	20.40	19.61



### Table C - Additional Pension – regular monthly contributions – Males below NPA (5)

Monthly contributions (£) to be made by a male member who has elected to make an additional contribution to the LGPS to increase his pension by £250 a year.

Age at first contribution	Arrangement length (years)															
	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
33	12.31	11.88	11.50	11.16	10.86	10.59	10.34	10.12	9.92	9.74	9.57	9.42	9.28	9.15	9.04	8.94
34	12.65	12.21	11.82	11.48	11.17	10.89	10.64	10.41	10.20	10.02	9.85	9.69	9.55	9.42	9.32	9.24
35	13.01	12.56	12.16	11.80	11.48	11.20	10.94	10.71	10.50	10.31	10.14	9.98	9.84	9.71	9.63	9.47
36	13.37	12.91	12.50	12.14	11.81	11.52	11.26	11.02	10.81	10.61	10.44	10.28	10.14	10.04	9.87	
37	13.75	13.28	12.86	12.48	12.15	11.85	11.58	11.34	11.12	10.93	10.75	10.59	10.48	10.29		
38	14.14	13.65	13.22	12.84	12.50	12.20	11.92	11.68	11.45	11.25	11.07	10.94	10.74			
39	14.54	14.04	13.60	13.21	12.87	12.55	12.27	12.02	11.80	11.60	11.44	11.22				
40	14.96	14.45	14.00	13.60	13.24	12.93	12.64	12.39	12.16	11.98	11.73					
41	15.39	14.87	14.41	14.00	13.64	13.31	13.02	12.76	12.56	12.28						
42	15.83	15.30	14.83	14.41	14.04	13.72	13.42	13.18	12.87							
43	16.30	15.75	15.27	14.85	14.47	14.13	13.86	13.51								
44	16.78	16.22	15.73	15.30	14.91	14.60	14.20									
45	17.28	16.71	16.21	15.76	15.40	14.95										
46	17.80	17.22	16.70	16.28	15.77											
47	18.35	17.74	17.24	16.67												
48	18.89	18.31	17.66													
49	19.50	18.75														
50	19.97															

### Table C - Additional Pension – regular monthly contributions – Males below NPA (6)

Monthly contributions (£) to be made by a male member who has elected to make an additional contribution to the LGPS to increase his pension by £250 a year.

Age at first contribution	Arrangement length (years)															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
49	221.07	113.42	77.58	59.70	48.99	41.88	36.82	33.04	30.13	27.81	25.92	24.37	23.07	21.97	21.03	20.19
50	227.00	116.49	79.70	61.34	50.35	43.05	37.86	33.99	31.00	28.62	26.70	25.11	23.78	22.65	21.65	20.84
51	233.11	119.65	81.88	63.04	51.76	44.27	38.95	34.98	31.91	29.47	27.50	25.87	24.51	23.31	22.34	21.33
52	239.41	122.92	84.14	64.79	53.22	45.54	40.07	36.00	32.86	30.36	28.34	26.68	25.22	24.06	22.87	
53	245.90	126.29	86.48	66.62	54.74	46.85	41.25	37.07	33.85	31.29	29.22	27.44	26.02	24.61		
54	252.62	129.78	88.90	68.51	56.31	48.22	42.47	38.19	34.89	32.27	30.06	28.31	26.62			
55	259.60	133.42	91.43	70.48	57.96	49.66	43.76	39.37	35.98	33.19	31.00	28.95				
56	266.86	137.21	94.06	72.55	59.70	51.17	45.12	40.61	37.00	34.22	31.70					
57	274.42	141.16	96.83	74.72	61.52	52.76	46.55	41.75	38.14	34.98						
58	282.33	145.31	99.73	77.01	63.44	54.45	47.84	43.02	38.97							
59	290.63	149.67	102.79	79.42	65.48	55.93	49.28	43.95								
60	299.36	154.27	106.02	81.99	67.24	57.60	50.33									
61	308.55	159.13	109.45	84.16	69.21	58.79										
62	318.25	164.28	112.28	86.57	70.60											
63	328.52	168.41	115.42	88.25												
64	336.53	172.99	117.56													
65	345.38	176.03														
66	351.13															

## 10 Table D – Additional Pension – regular monthly contributions – Females below NPA

Monthly contributions (£) to be made by a female member who has elected to make an additional contribution to the LGPS to increase her pension by £250 a year.

Age at first contribution	Arrangement length (years)															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
16	98.46	50.43	34.44	26.45	21.66	18.48	16.21	14.51	13.20	12.15	11.29	10.59	9.99	9.48	9.04	8.66
17	101.18	51.83	35.39	27.18	22.26	18.99	16.66	14.91	13.56	12.49	11.61	10.88	10.27	9.74	9.29	8.90
18	103.98	53.26	36.37	27.93	22.88	19.52	17.12	15.33	13.94	12.83	11.93	11.18	10.55	10.01	9.55	9.15
19	106.85	54.73	37.37	28.70	23.51	20.05	17.59	15.75	14.32	13.19	12.26	11.49	10.84	10.29	9.81	9.40
20	109.80	56.24	38.40	29.50	24.16	20.61	18.08	16.19	14.72	13.55	12.60	11.81	11.14	10.57	10.09	9.66
21	112.83	57.80	39.46	30.31	24.83	21.18	18.58	16.63	15.13	13.93	12.95	12.13	11.45	10.87	10.37	9.93
22	115.94	59.39	40.55	31.15	25.51	21.76	19.09	17.09	15.55	14.31	13.31	12.47	11.77	11.17	10.65	10.20
23	119.14	61.03	41.67	32.01	26.22	22.36	19.62	17.57	15.98	14.71	13.67	12.82	12.09	11.48	10.95	10.49
24	122.42	62.71	42.82	32.89	26.94	22.98	20.16	18.05	16.42	15.11	14.05	13.17	12.43	11.80	11.25	10.78
25	125.79	64.44	44.00	33.80	27.68	23.61	20.72	18.55	16.87	15.53	14.44	13.53	12.77	12.12	11.56	11.08
26	129.25	66.21	45.21	34.73	28.44	24.27	21.29	19.06	17.34	15.96	14.84	13.91	13.13	12.46	11.88	11.38
27	132.81	68.03	46.46	35.68	29.23	24.93	21.88	19.59	17.81	16.40	15.25	14.29	13.49	12.80	12.21	11.70
28	136.45	69.90	47.73	36.66	30.03	25.62	22.48	20.13	18.31	16.85	15.67	14.69	13.86	13.16	12.55	12.02
29	140.20	71.82	49.04	37.67	30.86	26.33	23.10	20.68	18.81	17.32	16.10	15.10	14.25	13.52	12.90	12.36
30	144.05	73.79	50.39	38.71	31.71	27.05	23.73	21.25	19.33	17.80	16.55	15.51	14.64	13.90	13.26	12.70
31	147.99	75.81	51.77	39.77	32.58	27.80	24.39	21.84	19.86	18.29	17.01	15.94	15.05	14.28	13.63	13.05
32	152.05	77.89	53.19	40.86	33.47	28.56	25.06	22.44	20.41	18.79	17.48	16.38	15.46	14.68	14.00	13.42

## Table D - Additional Pension – regular monthly contributions – Females below NPA (2)

Monthly contributions (£) to be made by a female member who has elected to make an additional contribution to the LGPS to increase her pension by £250 a year.

Age at first contribution	Arrangement length (years)															
	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
16	8.32	8.03	7.77	7.53	7.32	7.13	6.96	6.81	6.66	6.54	6.42	6.31	6.21	6.11	6.03	5.95
17	8.56	8.25	7.98	7.74	7.53	7.33	7.16	7.00	6.85	6.72	6.60	6.48	6.38	6.29	6.20	6.12
18	8.79	8.48	8.20	7.96	7.74	7.54	7.35	7.19	7.04	6.90	6.78	6.66	6.56	6.46	6.37	6.29
19	9.04	8.72	8.43	8.18	7.95	7.75	7.56	7.39	7.24	7.10	6.97	6.85	6.74	6.64	6.55	6.46
20	9.29	8.96	8.67	8.41	8.17	7.96	7.77	7.60	7.44	7.29	7.16	7.04	6.93	6.83	6.73	6.65
21	9.55	9.21	8.91	8.64	8.40	8.18	7.99	7.81	7.65	7.50	7.36	7.24	7.12	7.02	6.92	6.83
22	9.81	9.46	9.15	8.88	8.63	8.41	8.21	8.03	7.86	7.71	7.57	7.44	7.32	7.22	7.12	7.02
23	10.08	9.73	9.41	9.13	8.87	8.64	8.44	8.25	8.08	7.92	7.78	7.65	7.53	7.42	7.32	7.22
24	10.36	10.00	9.67	9.38	9.12	8.89	8.67	8.48	8.30	8.14	8.00	7.86	7.74	7.63	7.52	7.43
25	10.65	10.27	9.94	9.64	9.37	9.13	8.91	8.72	8.54	8.37	8.22	8.09	7.96	7.84	7.73	7.64
26	10.95	10.56	10.22	9.91	9.64	9.39	9.16	8.96	8.78	8.61	8.45	8.31	8.18	8.06	7.95	7.85
27	11.25	10.85	10.50	10.19	9.90	9.65	9.42	9.21	9.02	8.85	8.69	8.55	8.41	8.29	8.18	8.08
28	11.56	11.15	10.79	10.47	10.18	9.92	9.68	9.47	9.28	9.10	8.94	8.79	8.65	8.53	8.41	8.31
29	11.88	11.47	11.09	10.76	10.46	10.20	9.96	9.74	9.54	9.36	9.19	9.04	8.90	8.77	8.65	8.54
30	12.21	11.78	11.40	11.06	10.76	10.48	10.24	10.01	9.81	9.62	9.45	9.29	9.15	9.02	8.90	8.79
31	12.55	12.11	11.72	11.37	11.06	10.78	10.52	10.29	10.08	9.89	9.72	9.56	9.41	9.28	9.16	9.04
32	12.90	12.45	12.05	11.69	11.37	11.08	10.82	10.58	10.37	10.17	10.00	9.83	9.68	9.55	9.42	9.30



### Table D - Additional Pension – regular monthly contributions – Females below NPA (3)

Monthly contributions (£) to be made by a female member who has elected to make an additional contribution to the LGPS to increase her pension by £250 a year.

Age at first contribution	Arrangement length (years)																		
	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51
16	5.88	5.81	5.75	5.69	5.63	5.58	5.53	5.49	5.45	5.41	5.37	5.34	5.31	5.28	5.25	5.23	5.23	5.19	5.22
17	6.04	5.97	5.91	5.85	5.79	5.74	5.69	5.65	5.60	5.56	5.53	5.49	5.46	5.43	5.40	5.40	5.36	5.39	
18	6.21	6.14	6.07	6.01	5.95	5.90	5.85	5.80	5.76	5.72	5.68	5.65	5.62	5.59	5.58	5.54	5.56		
19	6.39	6.31	6.24	6.18	6.12	6.07	6.02	5.97	5.92	5.88	5.85	5.81	5.78	5.77	5.72	5.75			
20	6.56	6.49	6.42	6.35	6.29	6.24	6.19	6.14	6.09	6.05	6.01	5.98	5.97	5.91	5.94				
21	6.75	6.67	6.60	6.53	6.47	6.42	6.36	6.31	6.27	6.22	6.18	6.17	6.11	6.14					
22	6.94	6.86	6.79	6.72	6.66	6.60	6.54	6.49	6.45	6.40	6.39	6.32	6.35						
23	7.13	7.05	6.98	6.91	6.85	6.79	6.73	6.68	6.63	6.61	6.54	6.57							
24	7.34	7.25	7.18	7.11	7.04	6.98	6.92	6.87	6.85	6.77	6.79								
25	7.54	7.46	7.38	7.31	7.24	7.18	7.12	7.10	7.02	7.03									
26	7.76	7.67	7.59	7.52	7.45	7.39	7.36	7.27	7.28										
27	7.98	7.89	7.81	7.73	7.66	7.63	7.53	7.55											
28	8.21	8.12	8.03	7.96	7.92	7.81	7.82												
29	8.44	8.35	8.27	8.22	8.11	8.11													
30	8.69	8.59	8.54	8.42	8.41														
31	8.94	8.87	8.74	8.73															
32	9.23	9.09	9.07																
33	9.45	9.43																	
34	9.81																		

**Table D - Additional Pension – regular monthly contributions – Females below NPA (4)**

Monthly contributions (£) to be made by a female member who has elected to make an additional contribution to the LGPS to increase her pension by £250 a year.

Age at first contribution	Arrangement length (years)															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
33	156.21	80.02	54.65	41.98	34.39	29.34	25.75	23.06	20.97	19.31	17.96	16.84	15.89	15.09	14.39	13.79
34	160.48	82.21	56.15	43.13	35.34	30.15	26.46	23.69	21.55	19.84	18.46	17.30	16.33	15.51	14.79	14.18
35	164.86	84.46	57.69	44.32	36.31	30.98	27.18	24.35	22.15	20.39	18.97	17.78	16.79	15.94	15.21	14.57
36	169.36	86.77	59.26	45.53	37.30	31.83	27.93	25.02	22.76	20.96	19.49	18.28	17.25	16.38	15.63	14.98
37	173.98	89.14	60.88	46.77	38.32	32.70	28.70	25.70	23.38	21.54	20.03	18.78	17.73	16.84	16.07	15.40
38	178.72	91.57	62.55	48.05	39.37	33.60	29.49	26.41	24.03	22.13	20.59	19.30	18.23	17.31	16.52	15.83
39	183.58	94.07	64.26	49.37	40.45	34.52	30.30	27.14	24.69	22.74	21.16	19.84	18.74	17.79	16.98	16.28
40	188.58	96.63	66.01	50.72	41.56	35.47	31.13	27.89	25.38	23.38	21.75	20.40	19.26	18.29	17.46	16.74
41	193.70	99.26	67.81	52.11	42.70	36.45	31.99	28.66	26.08	24.02	22.35	20.96	19.80	18.81	17.95	17.21
42	198.96	101.96	69.66	53.53	43.87	37.45	32.87	29.45	26.80	24.69	22.97	21.55	20.36	19.34	18.46	17.70
43	204.36	104.74	71.56	54.99	45.07	38.48	33.78	30.27	27.55	25.38	23.62	22.16	20.93	19.89	18.99	18.21
44	209.90	107.59	73.51	56.50	46.31	39.54	34.71	31.11	28.31	26.09	24.28	22.78	21.52	20.45	19.53	18.73
45	215.60	110.51	75.52	58.04	47.58	40.62	35.67	31.97	29.10	26.82	24.96	23.43	22.14	21.04	20.09	19.28
46	221.44	113.52	77.58	59.63	48.89	41.75	36.66	32.86	29.92	27.57	25.67	24.09	22.77	21.64	20.68	19.84
47	227.44	116.60	79.69	61.27	50.24	42.90	37.68	33.78	30.76	28.35	26.40	24.78	23.42	22.27	21.28	20.42
48	233.61	119.78	81.87	62.95	51.62	44.09	38.73	34.72	31.62	29.16	27.15	25.49	24.10	22.92	21.91	21.03

## Table D - Additional Pension – regular monthly contributions – Females below NPA (5)

Monthly contributions (£) to be made by a female member who has elected to make an additional contribution to the LGPS to increase her pension by £250 a year.

Age at first contribution	Arrangement length (years)															
	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
33	13.26	12.80	12.39	12.02	11.69	11.39	11.13	10.88	10.66	10.46	10.28	10.11	9.96	9.82	9.69	9.61
34	13.64	13.16	12.73	12.36	12.02	11.72	11.44	11.19	10.97	10.76	10.58	10.41	10.25	10.11	10.01	9.84
35	14.02	13.53	13.09	12.71	12.36	12.05	11.77	11.51	11.28	11.07	10.88	10.71	10.55	10.44	10.25	10.21
36	14.41	13.91	13.46	13.07	12.71	12.39	12.10	11.84	11.61	11.39	11.20	11.02	10.89	10.68	10.63	
37	14.82	14.30	13.84	13.44	13.07	12.75	12.45	12.18	11.94	11.72	11.52	11.38	11.15	11.08		
38	15.23	14.70	14.24	13.82	13.45	13.11	12.81	12.54	12.29	12.07	11.90	11.64	11.57			
39	15.66	15.12	14.64	14.21	13.83	13.49	13.18	12.90	12.65	12.46	12.18	12.08				
40	16.11	15.55	15.06	14.62	14.23	13.88	13.57	13.28	13.06	12.75	12.63					
41	16.57	16.00	15.49	15.04	14.64	14.29	13.96	13.71	13.36	13.22						
42	17.04	16.46	15.94	15.48	15.07	14.71	14.41	14.03	13.86							
43	17.53	16.93	16.40	15.94	15.52	15.18	14.74	14.55								
44	18.04	17.43	16.89	16.41	16.01	15.53	15.29									
45	18.56	17.94	17.39	16.93	16.38	16.10										
46	19.11	18.47	17.93	17.31	16.98											
47	19.68	19.05	18.34	17.95												
48	20.29	19.48	19.01													
49	20.75	20.19														
50	21.50															

## Table D - Additional Pension – regular monthly contributions – Females below NPA (6)

Monthly contributions (£) to be made by a female member who has elected to make an additional contribution to the LGPS to increase her pension by £250 a year.

Age at first contribution	Arrangement length (years)															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
49	239.94	123.04	84.11	64.68	53.05	45.32	39.81	35.70	32.52	29.99	27.93	26.23	24.81	23.60	22.56	21.68
50	246.45	126.40	86.42	66.47	54.52	46.58	40.93	36.71	33.45	30.85	28.74	27.00	25.54	24.30	23.26	22.17
51	253.15	129.85	88.80	68.31	56.04	47.89	42.09	37.76	34.41	31.75	29.58	27.80	26.30	25.05	23.77	22.97
52	260.04	133.41	91.24	70.20	57.61	49.24	43.29	38.84	35.40	32.67	30.46	28.63	27.10	25.60	24.62	
53	267.13	137.07	93.77	72.16	59.23	50.64	44.53	39.96	36.44	33.64	31.37	29.50	27.69	26.51		
54	274.45	140.85	96.38	74.19	60.91	52.09	45.81	41.13	37.52	34.64	32.31	30.13	28.67			
55	282.01	144.77	99.09	76.29	62.65	53.59	47.15	42.35	38.64	35.69	33.01	31.19				
56	289.83	148.83	101.89	78.47	64.47	55.16	48.55	43.62	39.79	36.44	34.16					
57	297.93	153.03	104.80	80.74	66.35	56.80	50.01	44.92	40.63	37.70						
58	306.33	157.40	107.83	83.11	68.33	58.51	51.48	45.84	42.02							
59	315.06	161.95	110.99	85.58	70.39	60.21	52.52	47.40								
60	324.15	166.69	114.29	88.17	72.41	61.41	54.29									
61	333.63	171.64	117.75	90.66	73.82	63.45										
62	343.52	176.83	121.03	92.39	76.24											
63	353.87	181.66	123.27	95.37												
64	363.35	184.93	127.17													
65	369.66	190.65														
66	380.83															





## 11 Table E – Additional pension – adjustment factors for members below NPA with a normal pension age greater than 65

<i>Gender</i>	<i>Normal pension age*</i>			
	<b>65</b>	<b>66</b>	<b>67</b>	<b>68</b>
Male	1.00	0.95	0.90	0.86
Female	1.00	0.95	0.91	0.86

\*Where the normal pension age is not an integer, the adjustment factors from the table should be interpolated for part years.

## 12 Table F – Additional pension – lump sum contributions – Males above NPA

Lump sum contributions to be made by a member or an employing authority that has elected to make an additional contribution to the LGPS to increase a male member's benefits. This table applies where the member has already passed his normal pension age at the time the additional contribution is made.

Age at payment	Lump sum contribution for an increase in pension of £250 a year			
	Normal pension age*			
	65	66	67	68
65	3,948	3,760**		
66	4,029	3,838	3,655**	
67	4,137	3,913	3,727	3,550**
68	4,232	4,015	3,798	3,617
69	4,351	4,105	3,894	3,684
70	4,457	4,219	3,981	3,777
71	4,586	4,322	4,091	3,860
72	4,737	4,449	4,193	3,969
73	4,907	4,596	4,317	4,068
74	5,094	4,762	4,461	4,190

\*Where the normal pension age is not an integer, the factors from the table should be interpolated for part years.

\*\* These figures should only be used for interpolation between two integer Normal pension ages.



### 13 Table G – Additional pension – lump sum contributions – Females above NPA

Lump sum contributions to be made by a member or an employing authority that has elected to make an additional contribution to the LGPS to increase a female member's benefits. This table applies where the member has already passed her normal pension age at the time the additional contribution is made.

<i>Age at payment</i>	<b>Lump sum contribution for an increase in pension of £250 a year</b>			
	<i>Normal pension age*</i>			
	<b>65</b>	<b>66</b>	<b>67</b>	<b>68</b>
65	4,257	4,054**		
66	4,355	4,148	3,950**	
67	4,442	4,240	4,038	3,846**
68	4,556	4,320	4,124	3,928
69	4,657	4,428	4,199	4,008
70	4,783	4,524	4,301	4,079
71	4,896	4,644	4,392	4,176
72	5,030	4,751	4,506	4,262
73	5,151	4,880	4,609	4,372
74	5,324	4,996	4,733	4,470

\*Where the normal pension age is not an integer, the factors from the table should be interpolated for part years.

\*\* These figures should only be used for interpolation between two integer Normal pension ages.



## Appendix A: Cited Regulations

### Excerpts from the 2014 Regulations<sup>3</sup>

#### Introductory

##### 2.—

(3) The Scottish Ministers may, after consultation with the Scheme Actuary, issue actuarial guidance to administering authorities.

#### Additional pension contributions

##### 16.—

(1) Subject to paragraph (15), an active member who is paying contributions under regulation 9 (contributions) may enter into arrangements to pay additional pension contributions (“APCs”) by regular contributions in accordance with paragraph (2), and a member who is paying contributions under regulation 10 (temporary reduction in contributions) may do so if the arrangement is to cover a period of absence of the description in regulation 11(4)(b) or (c) (contributions during absence from work), unless the appropriate administering authority determines in any particular case that it would not be practical to allow APCs to be paid by regular contributions.

(2) Where APCs are to be paid by regular contributions, the arrangements mentioned in paragraph (1)—

- (a) must, when entered into, be for a complete year or number of years with a minimum period of one year;
- (b) must specify the amount of extra contribution to be paid each Scheme year;
- (c) must, where the member has more than one active member pension account, specify which account the APC is to be attached to;
- (d) must specify the amount of additional pension to be credited to the active member’s pension account at the end of the Scheme year; and
- (e) may be funded in whole or in part by the member’s Scheme employer.

...

(4) Where APCs are to be paid by a lump sum contribution, the arrangements mentioned in paragraph (3)—

- (a) must specify the amount of extra contribution to be paid;
- (b) must, where the member has more than one active member pension account, specify which account the APC is to be attached to;
- (c) must specify the amount of additional pension to be credited to the active member’s pension account at the end of the Scheme year; and

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<sup>3</sup> The Local Government Pension Scheme (Scotland) Regulations 2014 (SSI 2014/164)



(d) may be funded in whole or in part by the member's Scheme employer.

...

(6) The additional pension limit is £6,500 from 1st April 2015 and that figure is increased on 1st April 2016, and each subsequent 1st April, by the amount (where it is greater than zero) by which it would be increased if it were a pension beginning on 1st April 2015 to which the Pensions (Increase) Act 1971 applied.

(7) The amount of the contributions to be paid in respect of arrangements under this regulation is to be determined in accordance with actuarial guidance issued by the Scottish Ministers based on—

- (a) the age of the member at the time the arrangements commence; and
- (b) the gender of the member.

(8) Actuarial guidance issued by the Scottish Ministers under paragraph (7) may be revised at any time and if so, from the 1st April following any such revision, any contributions payable are to be based on the revised actuarial guidance.

...

(12) If arrangements entered into under paragraph (2) terminate for any reason and new arrangements are entered into under that paragraph, the amount of contributions payable is determined under paragraph (7) in accordance with the age of the member at the date the new arrangements are entered into and the actuarial guidance issued by the Scottish Ministers in force at that date.

(13) If additional contributions are paid in accordance with arrangements made under this regulation, and are not refunded under regulation 18 (rights to return of contributions), that member's active member's pension account must be credited with the amount specified in those arrangements as additional pension at the end of the Scheme year in which the contributions are paid, or at the date the arrangements terminate, if earlier.

(14) If a member who is paying APCs is granted Tier 1 or Tier 2 benefits in relation to the pension account to which the arrangements are attached before the end of the period the arrangements made under paragraph (1) were due to cease ("the APC period"), that member is to be treated as having paid the contributions required from the date the member is granted Tier 1 or Tier 2 benefits, up to the end of the APC period and the additional pension bought by those contributions is to be included in the active member's pension account for the year of leaving.

(15) If a member fails to pay all the additional contributions due under arrangements made under paragraph (1), and paragraph (14) does not apply to that member, the member's active member pension account must be credited with additional pension of an amount calculated in accordance with actuarial guidance issued by the Scottish Ministers.

### **Active member's pension accounts**

#### **23.—**

(1) At the beginning of each Scheme year, an active member's pension account in relation to an employment must specify the opening balance for that year.

(2) At the end of each Scheme year—



- (a) the balance mentioned in paragraph (1); plus
- (b) the amount of earned pension, if any, for the Scheme year; plus
- (c) the amount of any additional member pension acquired during the Scheme year pursuant to arrangements made under regulation 16(1) or (3) (additional pension contributions); plus or minus, as the case may be,
- (d) the sum resulting from any pension account adjustment during the Scheme year, must be aggregated and the revaluation adjustment for that Scheme year must be applied at the beginning of the next Scheme year in accordance with actuarial guidance issued by the Scottish Ministers.

### Retirement benefits

#### 29.—

...

(7) Where an active member who has attained the age of 55 or over is dismissed from an employment by reason of redundancy or business efficiency, or whose employment is terminated by mutual consent on grounds of business efficiency, that member is entitled to, and must take immediate payment of—

- (a) retirement pension relating to that employment payable under regulation 16 (additional pension contributions), adjusted by the amount shown as appropriate in actuarial guidance issued by the Scottish Ministers; and
- (b) any other retirement pension relating to that active membership payable under these Regulations, without reduction.

### Award of additional pension

#### 30.—

(1) A Scheme employer may resolve to award—

- (a) an active member; or
- (b) a member who was an active member who was dismissed by reason of redundancy, or business efficiency, or whose employment was terminated by mutual consent on grounds of business efficiency,

additional annual pension of, in total (including any additional pension purchased by the Scheme employer under regulation 16), not more than the additional pension limit payable from the same date as any pension payable under other provisions of these Regulations from the pension account to which the additional pension is attached, provided that, in the case of a member falling within sub-paragraph (b), the resolution to award additional pension is made within 6 months of the date the member's employment ended.

(2) The additional pension limit is £5,000 and that figure is increased on 1st April 2016, and each subsequent 1st April, by the amount (where it is greater than zero) by which it would be increased if it were a pension beginning on 1st April 2015 to which the Pensions (Increase) Act 1971 applied.

(3) An award of additional pension under—



- (a) paragraph (1)(a) is to be credited to the relevant active member pension account in the Scheme year in which the resolution to award the additional pension is made; and
- (b) paragraph (1)(b) is to be treated as credited to the relevant active member pension account on the day before the date of termination of employment.



## Appendix B: Legislative References

- B.1 SPPA has asked GAD to recommend actuarial guidance in respect of the regulations detailed below.
- B.2 The Scottish Ministers are required under the 2014 Regulations to issue actuarial guidance on the amount of contributions paid by a member purchasing additional pension, or by an employing authority purchasing additional pension for a member [regulation 16(7) of the 2014 Regulations].
- B.3 Regulation 16(1) of the 2014 Regulations provides that a member may elect to make additional contributions to the LGPS to be credited with additional pension, and Regulations 16(2)(e) and 16(4)(d) of the 2014 Regulations provide for the member's employer to fund the additional pension contributions either wholly or in part. Furthermore, Regulation 30(1) of the 2014 Regulations permits an employing authority to award additional pension to a member.
- B.4 Regulations 16(12) and 16(15) of the 2014 Regulations provide that the amount of additional pension credited to a member who ceases contributions before the end of the payment period for a reason other than retirement on ill health or death must be determined in accordance with actuarial guidance issued by the Scottish Ministers.





## Appendix C: Limitations

- C.1 This note should not be used for any purpose other than to determine the contributions required to secure additional pension and the benefits deriving from those additional contributions in accordance with the regulations cited above.
- C.2 The factors contained in this note are subject to regular review. Administrators need to ensure that they are using the latest factors, as relevant, when processing cases.
- C.3 This guidance note only covers the principles around the contributions required to secure additional pension and the benefits deriving from those additional contributions. Any legal advice in this area should be sought from an appropriately qualified person or source.
- C.4 This note should be considered in its entirety as individual sections, if considered in isolation, may be misleading, and conclusions reached by a review of some sections on their own may be incorrect. This note only covers the actuarial principles around the calculation and application of additional pension factors. Any legal advice in this area should be sought from an appropriately qualified person or source.
- C.5 Administrators should satisfy themselves that arrangements to secure additional pension comply with all legislative requirements including, but not limited to, tax and contracting-out requirements.
- C.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 Scottish Public Pensions Agency. In no circumstances should this guidance take precedence over the Regulations. Administrators should ensure that they comply with all relevant Regulations.