



# Government Actuary's Department

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

**Addendum: Application of a Pension Credit to the Former Spouse or  
Civil Partner of the Member – post-2015**

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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 calculation of the pension credit for the former spouse or civil partner (the "pension credit member") following a divorce proceeding.
- 1.2 This addendum updates some of the factors in the note "Application of a Pension Credit to the Former Spouse or Civil Partner of the Member" dated 26 February 2015.
- 1.3 The remainder of this introduction contains:
  - > details of the implementation and future review of this guidance, and
  - > statements about third party reliance and liability
- 1.4 In the remainder of this note Appendix A sets out the revised factors in tables 4.1 and 4.2. The other factors remain unchanged.

### 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 above. This document together with the guidance dated 26 February 2015 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. SPPA has informed GAD that this guidance will come into force with effect from 16 March 2016.
- 1.8 The guidance dated 26 February 2015 provides the relevant legislative references.
- 1.9 The important notes set out in Appendix C of the 26 February 2015 guidance apply to this guidance as well.
- 1.10 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.
- 1.11 The factors contained in this note will be reviewed periodically. This will depend on external circumstances, for example when the LGPS cash equivalent transfer value basis is reviewed; 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**

1.12 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, together with the note dated 26 February 2015;
- > the advice is not quoted selectively or partially; and
- > GAD is identified as the source of the note.

1.13 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**

1.14 When issued by the Scottish Ministers in accordance with paragraph 1.7 above, this note should be used, together with the guidance dated 26 February 2015 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 Examples

- 2.1 The calculation methodology is unchanged from the previous guidance and therefore examples in the previous guidance, updated for factors in this guidance can be used for illustrative purposes.



## Appendix A: Factors

Table 4.1 – Males

Age last birthday at relevant date	Factor (F <sub>P</sub> )	Age last birthday at relevant date	Factor (F <sub>P</sub> )
16	4.81	41	8.99
17	4.94	42	9.22
18	5.06	43	9.45
19	5.19	44	9.70
20	5.32	45	9.95
21	5.45	46	10.21
22	5.59	47	10.47
23	5.74	48	10.74
24	5.88	49	11.02
25	6.02	50	11.30
26	6.17	51	11.61
27	6.33	52	11.91
28	6.49	53	12.22
29	6.65	54	12.55
30	6.82	55	12.89
31	6.99	56	13.24
32	7.17	57	13.60
33	7.35	58	13.98
34	7.53	59	14.38
35	7.72	60	14.79
36	7.92	61	15.23
37	8.12	62	15.68
38	8.33	63	16.16
39	8.54	64	16.66
40	8.76		

### Notes

The factor should reflect the age and gender of the former spouse or civil partner on the Transfer day (not the age and gender of the member).

At a future date it will be necessary to extend this table to allow for former spouses or civil partners aged over 64 last birthday who have not yet reached their Normal Pension Age. Such cases cannot currently arise and this guidance is likely to have been revised before such a case will exist.



**Table 4.2 – Females**

<b>Age last birthday at relevant date</b>	<b>Factor (F<sub>P</sub>)</b>	<b>Age last birthday at relevant date</b>	<b>Factor (F<sub>P</sub>)</b>
16	5.08	41	9.52
17	5.21	42	9.78
18	5.34	43	10.02
19	5.48	44	10.28
20	5.61	45	10.56
21	5.75	46	10.83
22	5.91	47	11.11
23	6.05	48	11.40
24	6.21	49	11.70
25	6.36	50	12.01
26	6.52	51	12.33
27	6.70	52	12.66
28	6.87	53	13.00
29	7.04	54	13.35
30	7.22	55	13.72
31	7.40	56	14.10
32	7.59	57	14.49
33	7.77	58	14.90
34	7.97	59	15.32
35	8.18	60	15.77
36	8.39	61	16.23
37	8.61	62	16.69
38	8.82	63	17.18
39	9.05	64	17.70
40	9.29		

**Notes**

The factor should reflect the age and gender of the former spouse or civil partner on the Transfer day (not the age and gender of the member).

At a future date it will be necessary to extend this table to allow for former spouses or civil partners aged over 64 last birthday who have not yet reached their Normal Pension Age. Such cases cannot currently arise and this guidance is likely to have been revised before such a case will exist.