



Contents

1	Introduction	1
2	Annual allowance debits	3
3	Lifetime allowance debits	6
4	Example calculations	7
	Appendix A: Tables of factors	13
	Appendix B: Assumptions underlying factors	28
	Appendix C: Limitations	30



1 Introduction

Scope of this guidance note

- 1.1 This note is provided for the Scottish Public Pensions Agency (SPPA) as scheme manager of the police pension schemes in Scotland and relates to the 1987 scheme.
- 1.2 The tax charges covered by this guidance are in relation to the annual allowance and the lifetime allowance. Relevant legislation in respect of the annual allowance is contained in the Finance Act 2004 (as amended).
- 1.3 This guidance cover the calculation formulae and factors to use to determine the debit to apply to a member's pension once it has been determined that a tax charge will be paid from the 1987 scheme. Please follow legislation, HMRC guidance and any additional guidance issued by the SPPA when determining the amount of any tax charge that will be paid from the 1987 scheme.
- 1.4 This note does not attempt to describe the method for determining the amount of any Annual Allowance or Lifetime Allowance charge. Any references in this note to the calculation of the Annual Allowance or Lifetime Allowance charge are included solely to help explain how the charge should be converted to a reduction to the member's benefits. They should not be treated as guidance on how to calculate the Annual or Lifetime Allowance charge.
- 1.5 The factors and guidance provided in this note have been prepared in light of our advice to the SPPA dated 30 October 2018 and its instructions following that advice.
- 1.6 This note only relates to benefits in the 1987 section of the scheme. Separate guidance has been issued in respect of the 2006 and 2015 schemes.
- 1.7 This guidance is intended to supersede any factors or advice previously issued, for the purposes of calculating an annual allowance and lifetime allowance pension debits. No advice or factors issued in the past should be used for cases after this date. In particular, this guidance supersedes:

"Police pension schemes (Scotland) 1987 Scheme: Tax charge debits – Factors and guidance" dated 12 May 2015.

and

Addendum to GAD guidance note "Police pension schemes (Scotland) 1987 scheme: Tax charge debits" dated 7 April 2016.
- 1.8 The factors in this note have been updated but the calculation methodology remains unchanged.
- 1.9 Section 2 of this guidance note covers the calculation and implementation of annual allowance debits. The guidance is limited to members who incur charges before age 60. If a member incurs an annual allowance charge after age 60 the case should be referred to GAD.



- 1.10 Section 3 of this guidance note covers the calculation and implementation of lifetime allowance debits.
- 1.11 Appendix A contains the factor tables to be used in conjunction with this guidance note.
- 1.12 Details of the assumptions underlying the factor tables in this guidance are set out in Appendix B. Some important limitations can be found in Appendix C.
- 1.13 SPPA have decided that the actuarial factors in this note are effective from 21 January 2019 for lifetime allowance debits and for annual allowance tax charges accruing in the 2019/20 tax year and beyond. These factors supersede corresponding factors issued by the Government Actuary's Department on 7 April 2016, with the exception of annual allowance tax charges accrued in the tax years before 2018/19.

Implementation and Review

- 1.14 The factors contained in this guidance will apply from 21 January 2019. This implementation date has been determined by the SPPA. This guidance will apply from the date of issue.
- 1.15 This guidance has been written for pension administrators and assumes some knowledge of general pension terminology, and some familiarity with retirement calculations for the Police Pension Schemes Scotland. Any questions concerning the application of the guidance should, in the first instance, be referred to SPPA.
- 1.16 In line with best practice and in order to make sure that factors are being used as intended and the instructions are fit for purpose, we suggest that some example calculations are sent to GAD for review.
- 1.17 The factors contained in this guidance will be subject to review periodically. This will depend on external circumstances, for example whenever there is a change in the SCAPE basis; when changes in the actuarial assumptions adopted for other scheme factors take place; or following each future actuarial valuation where mortality and other relevant experience is reviewed or if other credible and material information comes to light.

Third party reliance

- 1.18 This guidance has been prepared for the use of SPPA and the scheme administrators for the purposes of demonstrating the application of the factors covered by this guidance only. This guidance may be published on SPPA and the scheme administrator's website but must not otherwise be reproduced, distributed or communicated in whole or in part to any other person without GAD's prior written permission.
- 1.19 Other than SPPA and the scheme administrators, no person or third party is entitled to place any reliance on the contents of this guidance, except to any extent explicitly stated herein. GAD has no liability to any person or third party for any action taken or for any failure to act, either in whole or in part, on the basis of this guidance, whether or not GAD has agreed to the disclosure of its advice to the third party.



2 Annual allowance debits

Introduction

- 2.1 If a member becomes liable to pay the annual allowance charge in any tax year it is possible¹ for the administrator to pay all or part of the charge on their behalf. This is commonly known as 'scheme pays'.
- 2.2 Following an election to use scheme pays to meet the tax charge, a consequential adjustment ('annual allowance debit') must be made to the member's benefit entitlements from the scheme.
- 2.3 Annual allowance debits will need to be calculated in respect of each tax year in which a member elects to use scheme pays.
- 2.4 Paragraphs 2.6 to 2.12 set out guidance for calculating the annual allowance debits at the time of the election.
- 2.5 Paragraphs 2.13 to 2.17 set out guidance for calculating the annual allowance debits applying at retirement.

Calculating annual allowance debits

- 2.6 This section sets out guidance for calculating annual allowance debits which will be applied to the member's benefits.
- 2.7 Annual allowance debits will not be applied to the benefits payable to a future surviving spouse, civil partner or children on the member's death.
- 2.8 Annual allowance debits do not affect GMPs.
- 2.9 The member's age (required to select the appropriate factors from **Table A_87**) should be calculated as at the implementation date which is 5 April of the tax year to which the tax charge relates.

Calculations

- 2.10 The annual allowance debits to apply to the pension entitlement should be calculated as shown below.
- 2.11 The annual allowance pension debit ('AAPD') is calculated as:

$$\text{AAPD} = \text{AATC} \div F_p$$

AATC	annual allowance tax charge payable by scheme administrator
F_p	factor for tax charge on member's pension – Table A_87

¹ Please follow legislation, HMRC guidance, and any other guidance issued by the SPPA in determining the circumstances where the scheme can meet the tax charge.



- 2.12 Administrators should store the debit calculated above with the implementation date on the member's record. Where a member has multiple annual allowance debits, they should be recorded separately.

Implementing debits at retirement

- 2.13 The annual allowance pension debit will be increased in line with the Pensions (Increase) Act up until the member's retirement.
- 2.14 The annual allowance pension debits are calculated assuming that the member will retire at their deferred pension age, 60. If a member retires at an age other than 60, either on ordinary or ill health grounds, the debits will need to be adjusted to allow for the different period over which they will be deducted.
- 2.15 Each pension debit must be adjusted separately as follows:

For members retiring at age 60:

Adjusted pension debit = AAPD x PI

For members retiring at a time other than age 60:

Adjusted pension debit = AAPD x PI x RTF

AAPD	annual allowance pension debit as calculated in 2.11
PI	pension increase uprating factor applying between the implementation date and the date of retirement
RTF	retirement timing factor depending on circumstances, see below

- i) *For all members retiring from active service and for members retiring following a period of deferment either after age 55 or before age 55 on ill health grounds with pension increases payable immediately:*

$$\mathbf{RTF = F_{ret}}$$

F_{ret} retirement timing factor at retirement age – **Table B_87 or C_87**

- ii) *For members retiring before age 55 following a period of deferment, in normal health or on ill health grounds, with pension increases not payable until age 55:*

$$\mathbf{RTF = \frac{FD_{ret}}{[FE_{ret} + (PI_{dol \rightarrow ret} \times FF_{ret})]}}$$

FD_{ret} factor for age at retirement date from **Table D1_87 or D2_87**

FE_{ret} factor for age at retirement date from **Table E1_87 or E2_87**

FF_{ret} factor for age at retirement date from **Table F1_87 or F2_87**

$PI_{dol \rightarrow ret}$ pension increase uprating factor between date of exit and the date of retirement



- 2.16 The pension to be implemented at retirement is the full pension, i.e. the pension before any debits, less all of the member's adjusted pension debits.
- 2.17 Any commutation of pension for a lump sum (under regulation B7 of the Police Pension Regulations 1987 (SI 1987/257)) is calculated with reference to the member's pension entitlement after application of annual allowance debits.



3 Lifetime allowance debits

Introduction

- 3.1 If a member becomes liable to pay lifetime allowance charges the scheme administrator can pay the charges on the member's behalf, unless directed not to by the member.
- 3.2 There will be a consequential adjustment ('lifetime allowance debit') made to the member's pension entitlement from the scheme in respect of the charges met by the scheme administrator.
- 3.3 Paragraphs 3.4 to 3.8 set out guidance for calculating the lifetime allowance debit.

Calculating the lifetime allowance debit

- 3.4 This section sets out guidance for calculating the lifetime allowance debit which will be applied to the member's pension.
- 3.5 The lifetime allowance debit will not be applied to the benefits payable to a future surviving spouse, civil partner or children on the member's death.
- 3.6 The member's age (required to select the appropriate factor from **Table G_87 or H_87** depending on whether the member is retiring from the scheme on grounds of normal or ill health) should be calculated as at the retirement date.

Calculations

- 3.7 The lifetime allowance debit to apply to the member's pension entitlement at retirement should be calculated as shown below.
- 3.8 The lifetime allowance pension debit ('LTAPD') is calculated as:

$$\text{LTAPD} = \text{LTATC} \div F_p$$

LTATC	lifetime allowance tax charge payable by the scheme administrator
F_p	factor for tax charge on member's pension – Table G_87 or H_87



4 Example calculations

- 4.1 This section provides examples of the calculations described in this note.
- 4.2 Figures in these example calculations are rounded to a suitable level of accuracy. Where a figure is shown as an intermediate step in the calculation, subsequent steps will use this rounded figure as written on the page. It is also acceptable to perform these calculations on a computer spreadsheet, such as MS Excel, or using other suitable software. In that case, the figures calculated in the intermediate steps may not be rounded, so the final answer may be slightly different to that shown in these examples. The difference will not be significant and both methods are valid. Whichever calculation method is used, the figures calculated as intermediate steps should not be rounded to a lower level of accuracy than used in these examples.



Example 1: Calculation of annual allowance debit

The following information is needed for this calculation:

A. Member date of birth	23 January 1985
B. Tax year annual allowance charge is incurred	2019/20
C. Implementation date	5 April 2020
D. Member age	35 years 2 months
E. Tax charge	£4,000

From 2.11, the formula for calculating the annual allowance pension debit is:

$$\text{AAPD} = \text{AATC} \div F_p$$

We have:

$$\text{AATC} = \text{£4,000 (from E.)}$$

$$F_p = 11.19 \text{ (from Table A_87)}$$

Substituting these values into the formula we get:

$$\text{AAPD} = \text{£4,000} \div 11.19 = \text{£357.46 pa}$$

Record this debit on the member's record with implementation date 5 April 2020.



Example 2: Member retiring at age 60 on ordinary grounds, with annual allowance debit

The following information is needed for this calculation:

A. Member date of birth	23 March 1959
B. Retirement date	31 March 2019
C. Member age	60
D. Member's pension before debit	£30,000 pa
E. Annual allowance pension debit 2015/16	£450 pa
F. Pension increase uprating factor 2015/16	1.0653
(from 2015/16 debit implementation date, 5 April 2016, to retirement)	

From 2.15, the formula for calculating the adjusted pension debit at retirement is:

$$\text{Adjusted pension debit} = \text{AAPD} \times \text{PI}$$

We have:

$$\text{AAPD} = \text{£}450 \text{ (from E.)}$$

$$\text{PI} = 1.0653 \text{ (from F.)}$$

Substituting these values into the formula we get:

$$\begin{aligned} \text{Adjusted pension debit} &= \text{£}450 \times 1.0653 \\ &= \text{£}479.39 \text{ pa} \end{aligned}$$

From 2.16, the pension to be implemented is the full pension (£30,000 pa from D.) less the member's adjusted pension debit. Therefore the pension to be implemented is:

$$\begin{aligned} &= \text{£}30,000 - \text{£}479.39 \\ &= \text{£}29,520.61 \text{ pa} \end{aligned}$$



Example 3: Member retiring at age 50 on ordinary grounds following a period of deferment, with annual allowance pension debit

The following information is needed for this calculation:

A. Member date of birth	1 October 1971
B. Date of exit	8 June 2017
C. Retirement date	1 October 2021
D. Member age	50 years 0 months
E. Member's pension before debit	£45,000 pa
F. Annual allowance pension debit 2014/15	£250 pa
G. Annual allowance pension debit 2015/16	£300 pa
H. Pension increase uprating factor 2014/15 (from 2014/15 debit implementation date, 5 April 2015, to retirement)	1.0653
I. Pension increase uprating factor 2015/16 (from 2015/16 debit implementation date, 5 April 2016, to retirement)	1.0653
J. Pension increase uprating factor from exit to retirement	1.0496

Under 2.15 the annual allowance pension debits at retirement date are calculated as:

Adjusted pension debit = AAPD x PI x RTF

$$RTF = \frac{FD_{ret}}{[FE_{ret} + (PI_{dol \rightarrow ret} \times FF_{ret})]}$$

The same RTF applies to AAPDs arising in all tax years. We have:

$$FD_{ret} = 15.38 \text{ (from Table D1_87)}$$

$$FE_{ret} = 4.47 \text{ (from Table E1_87)}$$

$$FF_{ret} = 19.50 \text{ (from Table F1_87)}$$

$$PI_{dol \rightarrow ret} = 1.0496 \text{ (from J.)}$$

Substituting these values into the formula we get:

$$RTF = \frac{15.38}{[4.47 + (1.0496 \times 19.50)]} = 0.6167$$



2014/15 debit, we have:

AAPD = £250 pa (from **F.**)

PI = 1.0653 (from **H.**)

RTF = 0.6167 (calculated above)

Adjusted pension debit = £250 x 1.0653 x 0.6167
 = £164.24 pa

2015/16 debit, we have:

AAPD = £300 (from **G.**)

PI = 1.0653 (from **I.**)

RTF = 0.6167 (calculated above)

Adjusted pension debit = £300 x 1.0653 x 0.6167
 = £197.09 pa

From 2.16, the pension to be implemented is the full pension (£45,000 pa from **E.**) less the member's adjusted pension debits. Therefore the pension to be implemented is:

$$\begin{aligned} &= £45,000 - £164.24 - £197.09 \\ &= £44,638.67 \text{ pa} \end{aligned}$$

The pension to be implemented is **£44,638.67 pa.**



Example 4: Member retiring at age 60 on ordinary grounds, with lifetime allowance charge

The following information is needed for this calculation:

A. Member date of birth	1 January 1960
B. Retirement date	1 January 2020
C. Member age	60
D. Lifetime allowance tax charge	£30,000

Under 3.8, the lifetime allowance pension debit is calculated as:

$$\text{LTAPD} = \text{LTATC} \div F_p$$

We have:

LTATC = 30,000 (from **D.**)

F_p = 19.20 (from **Table G_87**)

Substituting these values into the formula we get:

$$\begin{aligned}\text{LTAPD} &= £30,000 \div 19.20 \\ &= £1,562.50 \text{ pa}\end{aligned}$$

The member's pension will be reduced by **£1,562.50** per annum until the member dies.



Appendix A: Tables of factors

- **Table A_87 (Table 601 in consolidated factors spreadsheet):** Factors for calculating annual allowance pension debit
- **Table B_87 (Table 602 in consolidated factors spreadsheet):** Retirement timing factor - annual allowance pension debit on normal retirement
- **Table C_87 (Table 603 in consolidated factors spreadsheet):** Retirement timing factor - annual allowance pension debit on ill health retirement before age 60
- **Table D1_87 (Table 604 in consolidated factors spreadsheet):** Factors for calculating pension debit retirement timing factor - Retirement not on grounds of ill health
- **Table D2_87 (Table 605 in consolidated factors spreadsheet):** Factors for calculating pension debit retirement timing factor - Retirement on grounds of ill health
- **Table E1_87 (Table 606 in consolidated factors spreadsheet):** Factors for calculating pension debit retirement timing factor - Retirement not on grounds of ill health
- **Table E2_87 (Table 607 in consolidated factors spreadsheet):** Factors for calculating pension debit retirement timing factor - Retirement on grounds of ill health
- **Table F1_87 (Table 608 in consolidated factors spreadsheet):** Factors for calculating pension debit retirement timing factor - Retirement not on grounds of ill health
- **Table F2_87 (Table 609 in consolidated factors spreadsheet):** Factors for calculating pension debit retirement timing factor - Retirement on grounds of ill health
- **Table G_87 (Table 610 in consolidated factors spreadsheet):** Factors for calculating lifetime allowance debit - Retirement not on grounds of ill health
- **Table H_87 (Table 611 in consolidated factors spreadsheet):** Factors for calculating lifetime allowance debit (retirement in ill health)



Table A_87 (Table 601 in consolidated factors spreadsheet) – Factors for calculating annual allowance pension debit

Males and Females

Age last birthday at relevant date	Annual allowance debit factor per £1 of pension per annum
18	7.79
19	7.95
20	8.12
21	8.30
22	8.48
23	8.66
24	8.84
25	9.03
26	9.23
27	9.43
28	9.63
29	9.84
30	10.05
31	10.27
32	10.49
33	10.72
34	10.95
35	11.19
36	11.43
37	11.68
38	11.93
39	12.20
40	12.46
41	12.74
42	13.02
43	13.31
44	13.61
45	13.91
46	14.22
47	14.54
48	14.87
49	15.21
50	15.56
51	15.91
52	16.28
53	16.66
54	17.05
55	17.45
56	17.87
57	18.30
58	18.75
59	19.22



Table B_87 (Table 602 in consolidated factors spreadsheet) – Retirement timing factor - annual allowance pension debit on normal retirement

Males and Females

months	Age of the member when benefits come into payment								
	48	49	50	51	52	53	54	55	56
0	0.597	0.619	0.642	0.666	0.693	0.721	0.753	0.787	0.823
1	0.599	0.621	0.644	0.668	0.695	0.724	0.755	0.790	0.826
2	0.601	0.622	0.646	0.671	0.698	0.727	0.758	0.793	0.830
3	0.603	0.624	0.648	0.673	0.700	0.729	0.761	0.796	0.833
4	0.604	0.626	0.650	0.675	0.702	0.732	0.764	0.799	0.836
5	0.606	0.628	0.652	0.677	0.705	0.734	0.767	0.802	0.840
6	0.608	0.630	0.654	0.680	0.707	0.737	0.770	0.805	0.843
7	0.610	0.632	0.656	0.682	0.710	0.740	0.772	0.808	0.846
8	0.611	0.634	0.658	0.684	0.712	0.742	0.775	0.811	0.849
9	0.613	0.636	0.660	0.686	0.714	0.745	0.778	0.814	0.853
10	0.615	0.638	0.662	0.688	0.717	0.747	0.781	0.817	0.856
11	0.617	0.640	0.664	0.691	0.719	0.750	0.784	0.820	0.859

months	Age of the member when benefits come into payment								
	57	58	59	60	61	62	63	64	65
0	0.863	0.905	0.951	1.000	1.053	1.111	1.174	1.242	1.316
1	0.866	0.909	0.955	1.004	1.058	1.116	1.179	1.248	
2	0.870	0.913	0.959	1.009	1.063	1.122	1.185	1.254	
3	0.873	0.916	0.963	1.013	1.068	1.127	1.191	1.260	
4	0.877	0.920	0.967	1.018	1.073	1.132	1.196	1.266	
5	0.880	0.924	0.971	1.022	1.077	1.137	1.202	1.273	
6	0.884	0.928	0.975	1.027	1.082	1.142	1.208	1.279	
7	0.887	0.932	0.979	1.031	1.087	1.148	1.213	1.285	
8	0.891	0.935	0.984	1.036	1.092	1.153	1.219	1.291	
9	0.894	0.939	0.988	1.040	1.097	1.158	1.225	1.297	
10	0.898	0.943	0.992	1.045	1.102	1.163	1.230	1.303	
11	0.901	0.947	0.996	1.049	1.106	1.169	1.236	1.310	



Table C_87 (Table 603 in consolidated factors spreadsheet) – Retirement timing factor - annual allowance pension debit on ill health retirement before age 60

Males and Females

months	Age of the member when benefits come into payment									
	25	26	27	28	29	30	31	32	33	34
0	0.261	0.269	0.277	0.285	0.294	0.303	0.313	0.323	0.333	0.344
1	0.261	0.269	0.277	0.286	0.295	0.304	0.314	0.324	0.334	0.345
2	0.262	0.270	0.278	0.287	0.295	0.305	0.314	0.324	0.335	0.346
3	0.263	0.271	0.279	0.287	0.296	0.306	0.315	0.325	0.336	0.347
4	0.263	0.271	0.280	0.288	0.297	0.306	0.316	0.326	0.337	0.348
5	0.264	0.272	0.280	0.289	0.298	0.307	0.317	0.327	0.338	0.349
6	0.265	0.273	0.281	0.290	0.299	0.308	0.318	0.328	0.339	0.350
7	0.265	0.273	0.282	0.290	0.299	0.309	0.319	0.329	0.339	0.351
8	0.266	0.274	0.282	0.291	0.300	0.310	0.319	0.330	0.340	0.352
9	0.267	0.275	0.283	0.292	0.301	0.310	0.320	0.330	0.341	0.353
10	0.267	0.275	0.284	0.293	0.302	0.311	0.321	0.331	0.342	0.353
11	0.268	0.276	0.284	0.293	0.302	0.312	0.322	0.332	0.343	0.354

months	Age of the member when benefits come into payment									
	35	36	37	38	39	40	41	42	43	44
0	0.355	0.367	0.380	0.393	0.407	0.421	0.436	0.452	0.469	0.487
1	0.356	0.368	0.381	0.394	0.408	0.422	0.438	0.454	0.471	0.489
2	0.357	0.369	0.382	0.395	0.409	0.424	0.439	0.455	0.472	0.490
3	0.358	0.370	0.383	0.396	0.410	0.425	0.440	0.457	0.474	0.492
4	0.359	0.371	0.384	0.398	0.412	0.426	0.442	0.458	0.475	0.493
5	0.360	0.373	0.385	0.399	0.413	0.428	0.443	0.459	0.477	0.495
6	0.361	0.374	0.386	0.400	0.414	0.429	0.444	0.461	0.478	0.497
7	0.362	0.375	0.387	0.401	0.415	0.430	0.446	0.462	0.480	0.498
8	0.363	0.376	0.389	0.402	0.416	0.431	0.447	0.464	0.481	0.500
9	0.364	0.377	0.390	0.403	0.418	0.433	0.448	0.465	0.483	0.501
10	0.365	0.378	0.391	0.404	0.419	0.434	0.450	0.466	0.484	0.503
11	0.366	0.379	0.392	0.406	0.420	0.435	0.451	0.468	0.486	0.504



months	Age of the member when benefits come into payment									
	45	46	47	48	49	50	51	52	53	54
0	0.506	0.526	0.547	0.569	0.593	0.619	0.646	0.674	0.705	0.738
1	0.508	0.528	0.549	0.571	0.595	0.621	0.648	0.677	0.708	0.741
2	0.509	0.529	0.551	0.573	0.597	0.623	0.650	0.680	0.711	0.744
3	0.511	0.531	0.553	0.575	0.600	0.625	0.653	0.682	0.714	0.747
4	0.513	0.533	0.554	0.577	0.602	0.628	0.655	0.685	0.716	0.750
5	0.514	0.535	0.556	0.579	0.604	0.630	0.658	0.687	0.719	0.753
6	0.516	0.536	0.558	0.581	0.606	0.632	0.660	0.690	0.722	0.756
7	0.518	0.538	0.560	0.583	0.608	0.634	0.662	0.692	0.725	0.759
8	0.519	0.540	0.562	0.585	0.610	0.637	0.665	0.695	0.727	0.762
9	0.521	0.542	0.564	0.587	0.612	0.639	0.667	0.698	0.730	0.765
10	0.523	0.543	0.566	0.589	0.614	0.641	0.670	0.700	0.733	0.768
11	0.524	0.545	0.568	0.591	0.616	0.643	0.672	0.703	0.736	0.771

Table C_87 (Table 603 in consolidated factors spreadsheet) – Retirement timing factor - annual allowance pension debit on ill health retirement before age 60 - *continued*

Males and Females

months	Age of the member when benefits come into payment				
	55	56	57	58	59
0	0.774	0.812	0.854	0.899	0.947
1	0.777	0.816	0.857	0.903	
2	0.780	0.819	0.861	0.907	
3	0.784	0.823	0.865	0.911	
4	0.787	0.826	0.869	0.915	
5	0.790	0.830	0.872	0.919	
6	0.793	0.833	0.876	0.923	
7	0.796	0.836	0.880	0.927	
8	0.800	0.840	0.884	0.931	
9	0.803	0.843	0.887	0.935	
10	0.806	0.847	0.891	0.939	
11	0.809	0.850	0.895	0.943	



Table D1_87 (Table 604 in consolidated factors spreadsheet): Factors for calculating pension debit retirement timing factor - Retirement not on grounds of ill health

Males and Females

months	Age of member when benefits come into payment						
	48	49	50	51	52	53	54
0	14.70	15.04	15.38	15.73	16.09	16.47	16.85
1	14.73	15.07	15.41	15.76	16.12	16.50	16.88
2	14.76	15.09	15.44	15.79	16.15	16.53	16.92
3	14.79	15.12	15.47	15.82	16.19	16.56	16.95
4	14.82	15.15	15.50	15.85	16.22	16.59	16.98
5	14.84	15.18	15.53	15.88	16.25	16.63	17.01
6	14.87	15.21	15.56	15.91	16.28	16.66	17.05
7	14.90	15.24	15.58	15.94	16.31	16.69	17.08
8	14.93	15.27	15.61	15.97	16.34	16.72	17.11
9	14.95	15.29	15.64	16.00	16.37	16.75	17.15
10	14.98	15.32	15.67	16.03	16.40	16.79	17.18
11	15.01	15.35	15.70	16.06	16.43	16.82	17.21

months	Age of member when benefits come into payment					
	55	56	57	58	59	60
0	17.25	17.66	18.08	18.52	18.98	19.46
1	17.28	17.69	18.12	18.56	19.02	
2	17.31	17.73	18.16	18.60	19.06	
3	17.35	17.76	18.19	18.64	19.10	
4	17.38	17.80	18.23	18.68	19.14	
5	17.42	17.83	18.27	18.72	19.18	
6	17.45	17.87	18.30	18.75	19.22	
7	17.49	17.91	18.34	18.79	19.26	
8	17.52	17.94	18.38	18.83	19.30	
9	17.55	17.98	18.41	18.87	19.34	
10	17.59	18.01	18.45	18.91	19.38	
11	17.62	18.05	18.49	18.95	19.42	



Table D2_87 (Table 605 in consolidated factors spreadsheet): Factors for calculating pension debit retirement timing factor - Retirement on grounds of ill health

Males and Females

months	Age of member when benefits come into payment									
	25	26	27	28	29	30	31	32	33	34
0	8.29	8.47	8.65	8.83	9.02	9.21	9.41	9.61	9.81	10.02
1	8.31	8.48	8.66	8.85	9.03	9.23	9.42	9.63	9.83	10.04
2	8.32	8.50	8.68	8.86	9.05	9.24	9.44	9.64	9.85	10.06
3	8.34	8.51	8.69	8.88	9.07	9.26	9.46	9.66	9.87	10.08
4	8.35	8.53	8.71	8.89	9.08	9.28	9.47	9.68	9.88	10.10
5	8.36	8.54	8.72	8.91	9.10	9.29	9.49	9.69	9.90	10.11
6	8.38	8.56	8.74	8.93	9.12	9.31	9.51	9.71	9.92	10.13
7	8.39	8.57	8.75	8.94	9.13	9.33	9.52	9.73	9.94	10.15
8	8.41	8.59	8.77	8.96	9.15	9.34	9.54	9.75	9.95	10.17
9	8.42	8.60	8.79	8.97	9.16	9.36	9.56	9.76	9.97	10.19
10	8.44	8.62	8.80	8.99	9.18	9.37	9.58	9.78	9.99	10.20
11	8.45	8.63	8.82	9.00	9.20	9.39	9.59	9.80	10.01	10.22

months	Age of member when benefits come into payment									
	35	36	37	38	39	40	41	42	43	44
0	10.24	10.46	10.69	10.92	11.16	11.40	11.65	11.91	12.17	12.44
1	10.26	10.48	10.71	10.94	11.18	11.42	11.67	11.93	12.20	12.47
2	10.28	10.50	10.73	10.96	11.20	11.44	11.70	11.95	12.22	12.49
3	10.30	10.52	10.75	10.98	11.22	11.46	11.72	11.98	12.24	12.51
4	10.31	10.54	10.76	11.00	11.24	11.49	11.74	12.00	12.26	12.54
5	10.33	10.56	10.78	11.02	11.26	11.51	11.76	12.02	12.29	12.56
6	10.35	10.57	10.80	11.04	11.28	11.53	11.78	12.04	12.31	12.58
7	10.37	10.59	10.82	11.06	11.30	11.55	11.80	12.06	12.33	12.61
8	10.39	10.61	10.84	11.08	11.32	11.57	11.82	12.09	12.35	12.63
9	10.41	10.63	10.86	11.10	11.34	11.59	11.85	12.11	12.38	12.65
10	10.42	10.65	10.88	11.12	11.36	11.61	11.87	12.13	12.40	12.68
11	10.44	10.67	10.90	11.14	11.38	11.63	11.89	12.15	12.42	12.70

months	Age of member when benefits come into payment									
	45	46	47	48	49	50	51	52	53	54
0	12.72	13.01	13.30	13.60	13.91	14.23	14.56	14.90	15.25	15.61
1	12.75	13.03	13.33	13.63	13.94	14.26	14.59	14.93	15.28	15.64
2	12.77	13.06	13.35	13.65	13.97	14.29	14.62	14.96	15.31	15.68
3	12.79	13.08	13.38	13.68	13.99	14.31	14.65	14.99	15.34	15.71
4	12.82	13.11	13.40	13.71	14.02	14.34	14.67	15.02	15.37	15.74
5	12.84	13.13	13.43	13.73	14.05	14.37	14.70	15.05	15.40	15.77
6	12.87	13.15	13.45	13.76	14.07	14.40	14.73	15.08	15.43	15.80
7	12.89	13.18	13.48	13.78	14.10	14.42	14.76	15.10	15.46	15.83
8	12.91	13.20	13.50	13.81	14.13	14.45	14.79	15.13	15.49	15.86
9	12.94	13.23	13.53	13.84	14.15	14.48	14.82	15.16	15.52	15.89
10	12.96	13.25	13.55	13.86	14.18	14.51	14.84	15.19	15.55	15.93
11	12.98	13.28	13.58	13.89	14.21	14.53	14.87	15.22	15.58	15.96



	Age of member when benefits come into payment					
months	55	56	57	58	59	60
0	15.99	16.38	16.79	17.21	17.65	18.12
1	16.02	16.41	16.82	17.25	17.69	
2	16.05	16.45	16.86	17.28	17.73	
3	16.09	16.48	16.89	17.32	17.77	
4	16.12	16.51	16.93	17.36	17.81	
5	16.15	16.55	16.96	17.40	17.85	
6	16.18	16.58	17.00	17.43	17.89	
7	16.22	16.62	17.03	17.47	17.93	
8	16.25	16.65	17.07	17.51	17.96	
9	16.28	16.68	17.10	17.54	18.00	
10	16.31	16.72	17.14	17.58	18.04	
11	16.35	16.75	17.17	17.62	18.08	



Table E1_87 (Table 606 in consolidated factors spreadsheet)- Factors for calculating pension debit retirement timing factor - Retirement not on grounds of ill health

Males and Females

months	Age of member when benefits come into payment							
	48	49	50	51	52	53	54	55
0	6.00	5.25	4.47	3.66	2.80	1.91	0.98	0.00
1	5.94	5.19	4.41	3.59	2.73	1.83	0.90	
2	5.88	5.12	4.34	3.52	2.66	1.76	0.81	
3	5.81	5.06	4.27	3.44	2.58	1.68	0.73	
4	5.75	4.99	4.20	3.37	2.51	1.60	0.65	
5	5.69	4.93	4.13	3.30	2.43	1.52	0.57	
6	5.63	4.86	4.07	3.23	2.36	1.44	0.49	
7	5.57	4.80	4.00	3.16	2.28	1.37	0.41	
8	5.50	4.73	3.93	3.09	2.21	1.29	0.33	
9	5.44	4.67	3.86	3.02	2.13	1.21	0.24	
10	5.38	4.60	3.79	2.95	2.06	1.13	0.16	
11	5.32	4.54	3.73	2.88	1.99	1.06	0.08	



Table E2_87 (Table 607 in consolidated factors spreadsheet): Factors for calculating pension debit retirement timing factor - Retirement on grounds of ill health

Males and Females

months	Age of member when benefits come into payment									
	25	26	27	28	29	30	31	32	33	34
0	16.62	16.34	16.05	15.75	15.43	15.10	14.75	14.39	14.02	13.63
1	16.60	16.32	16.02	15.72	15.40	15.07	14.72	14.36	13.99	13.59
2	16.57	16.29	16.00	15.69	15.37	15.04	14.69	14.33	13.95	13.56
3	16.55	16.27	15.97	15.67	15.35	15.01	14.66	14.30	13.92	13.53
4	16.53	16.24	15.95	15.64	15.32	14.98	14.63	14.27	13.89	13.49
5	16.50	16.22	15.92	15.61	15.29	14.95	14.60	14.24	13.86	13.46
6	16.48	16.19	15.90	15.59	15.26	14.93	14.57	14.21	13.82	13.42
7	16.46	16.17	15.87	15.56	15.24	14.90	14.54	14.17	13.79	13.39
8	16.43	16.15	15.85	15.53	15.21	14.87	14.51	14.14	13.76	13.36
9	16.41	16.12	15.82	15.51	15.18	14.84	14.48	14.11	13.73	13.32
10	16.39	16.10	15.80	15.48	15.15	14.81	14.45	14.08	13.69	13.29
11	16.36	16.07	15.77	15.46	15.13	14.78	14.42	14.05	13.66	13.25

months	Age of member when benefits come into payment									
	35	36	37	38	39	40	41	42	43	44
0	13.22	12.79	12.35	11.89	11.40	10.90	10.38	9.83	9.25	8.66
1	13.18	12.76	12.31	11.85	11.36	10.86	10.33	9.78	9.21	8.61
2	13.15	12.72	12.27	11.81	11.32	10.81	10.28	9.73	9.16	8.55
3	13.11	12.68	12.23	11.77	11.28	10.77	10.24	9.68	9.11	8.50
4	13.08	12.65	12.20	11.73	11.24	10.73	10.19	9.64	9.06	8.45
5	13.04	12.61	12.16	11.69	11.19	10.68	10.15	9.59	9.01	8.40
6	13.01	12.57	12.12	11.65	11.15	10.64	10.10	9.54	8.96	8.35
7	12.97	12.53	12.08	11.61	11.11	10.59	10.06	9.49	8.91	8.29
8	12.94	12.50	12.04	11.57	11.07	10.55	10.01	9.45	8.86	8.24
9	12.90	12.46	12.00	11.52	11.03	10.51	9.96	9.40	8.81	8.19
10	12.86	12.42	11.96	11.48	10.98	10.46	9.92	9.35	8.76	8.14
11	12.83	12.39	11.93	11.44	10.94	10.42	9.87	9.30	8.71	8.09

months	Age of member when benefits come into payment										
	45	46	47	48	49	50	51	52	53	54	55
0	8.03	7.38	6.70	5.99	5.24	4.47	3.65	2.80	1.91	0.98	0.00
1	7.98	7.32	6.64	5.93	5.18	4.40	3.58	2.73	1.83	0.90	
2	7.92	7.27	6.58	5.86	5.11	4.33	3.51	2.65	1.75	0.81	
3	7.87	7.21	6.52	5.80	5.05	4.26	3.44	2.58	1.68	0.73	
4	7.82	7.15	6.46	5.74	4.98	4.19	3.37	2.50	1.60	0.65	
5	7.76	7.10	6.40	5.68	4.92	4.13	3.30	2.43	1.52	0.57	
6	7.71	7.04	6.34	5.62	4.85	4.06	3.23	2.36	1.44	0.49	
7	7.65	6.98	6.28	5.55	4.79	3.99	3.16	2.28	1.37	0.41	
8	7.60	6.93	6.23	5.49	4.73	3.92	3.08	2.21	1.29	0.33	
9	7.54	6.87	6.17	5.43	4.66	3.86	3.01	2.13	1.21	0.24	
10	7.49	6.81	6.11	5.37	4.60	3.79	2.94	2.06	1.13	0.16	
11	7.44	6.76	6.05	5.31	4.53	3.72	2.87	1.98	1.05	0.08	



Table F1_87 (Table 608 in consolidated factors spreadsheet): Factors for calculating pension debit retirement timing factor - Retirement not on grounds of ill health

Males and Females

months	Age of member when benefits come into payment						
	48	49	50	51	52	53	54
0	18.62	19.05	19.50	19.95	20.42	20.91	21.41
1	18.66	19.09	19.54	19.99	20.47	20.95	21.45
2	18.69	19.13	19.57	20.03	20.51	20.99	21.50
3	18.73	19.16	19.61	20.07	20.55	21.03	21.54
4	18.77	19.20	19.65	20.11	20.59	21.08	21.58
5	18.80	19.24	19.69	20.15	20.63	21.12	21.63
6	18.84	19.28	19.73	20.19	20.67	21.16	21.67
7	18.87	19.31	19.76	20.23	20.71	21.20	21.71
8	18.91	19.35	19.80	20.27	20.75	21.24	21.75
9	18.95	19.39	19.84	20.31	20.79	21.28	21.80
10	18.98	19.42	19.88	20.35	20.83	21.33	21.84
11	19.02	19.46	19.92	20.39	20.87	21.37	21.88

months	Age of member when benefits come into payment										
	55	56	57	58	59	60	61	62	63	64	65
0	21.93	22.46	23.01	23.58	24.17	24.77	25.39	26.04	26.70	27.39	28.09
1	21.97	22.51	23.06	23.63	24.22	24.82	25.45	26.09	26.76	27.44	
2	22.02	22.55	23.11	23.68	24.27	24.88	25.50	26.15	26.81	27.50	
3	22.06	22.60	23.15	23.73	24.32	24.93	25.56	26.20	26.87	27.56	
4	22.11	22.64	23.20	23.78	24.37	24.98	25.61	26.26	26.93	27.62	
5	22.15	22.69	23.25	23.82	24.42	25.03	25.66	26.31	26.99	27.68	
6	22.19	22.74	23.30	23.87	24.47	25.08	25.72	26.37	27.04	27.74	
7	22.24	22.78	23.34	23.92	24.52	25.14	25.77	26.42	27.10	27.80	
8	22.28	22.83	23.39	23.97	24.57	25.19	25.82	26.48	27.16	27.86	
9	22.33	22.87	23.44	24.02	24.62	25.24	25.88	26.53	27.21	27.92	
10	22.37	22.92	23.49	24.07	24.67	25.29	25.93	26.59	27.27	27.98	
11	22.42	22.97	23.53	24.12	24.72	25.34	25.98	26.65	27.33	28.03	



Table F2_87 (Table 609 in consolidated factors spreadsheet): Factors for calculating pension debit retirement timing factor - Retirement on grounds of ill health

Males and Females

months	Age of member when benefits come into payment									
	25	26	27	28	29	30	31	32	33	34
0	10.52	10.75	10.98	11.22	11.47	11.72	11.98	12.24	12.51	12.78
1	10.54	10.77	11.00	11.24	11.49	11.74	12.00	12.26	12.53	12.81
2	10.56	10.79	11.02	11.26	11.51	11.76	12.02	12.28	12.55	12.83
3	10.58	10.81	11.04	11.28	11.53	11.78	12.04	12.31	12.58	12.85
4	10.60	10.83	11.06	11.30	11.55	11.80	12.06	12.33	12.60	12.88
5	10.62	10.85	11.08	11.32	11.57	11.83	12.08	12.35	12.62	12.90
6	10.63	10.87	11.10	11.35	11.59	11.85	12.11	12.37	12.65	12.92
7	10.65	10.89	11.12	11.37	11.61	11.87	12.13	12.40	12.67	12.95
8	10.67	10.91	11.14	11.39	11.64	11.89	12.15	12.42	12.69	12.97
9	10.69	10.92	11.16	11.41	11.66	11.91	12.17	12.44	12.71	12.99
10	10.71	10.94	11.18	11.43	11.68	11.93	12.19	12.46	12.74	13.02
11	10.73	10.96	11.20	11.45	11.70	11.95	12.22	12.48	12.76	13.04

months	Age of member when benefits come into payment									
	35	36	37	38	39	40	41	42	43	44
0	13.07	13.35	13.65	13.96	14.27	14.59	14.92	15.26	15.60	15.96
1	13.09	13.38	13.68	13.98	14.30	14.62	14.95	15.29	15.63	15.99
2	13.11	13.40	13.70	14.01	14.32	14.64	14.98	15.32	15.66	16.02
3	13.14	13.43	13.73	14.03	14.35	14.67	15.00	15.34	15.69	16.05
4	13.16	13.45	13.75	14.06	14.38	14.70	15.03	15.37	15.72	16.08
5	13.19	13.48	13.78	14.09	14.40	14.73	15.06	15.40	15.75	16.11
6	13.21	13.50	13.80	14.11	14.43	14.75	15.09	15.43	15.78	16.15
7	13.23	13.53	13.83	14.14	14.46	14.78	15.12	15.46	15.81	16.18
8	13.26	13.55	13.85	14.16	14.48	14.81	15.14	15.49	15.84	16.21
9	13.28	13.58	13.88	14.19	14.51	14.84	15.17	15.52	15.87	16.24
10	13.31	13.60	13.91	14.22	14.54	14.86	15.20	15.55	15.90	16.27
11	13.33	13.63	13.93	14.24	14.56	14.89	15.23	15.58	15.93	16.30

months	Age of member when benefits come into payment									
	45	46	47	48	49	50	51	52	53	54
0	16.33	16.71	17.09	17.49	17.90	18.32	18.76	19.21	19.68	20.16
1	16.36	16.74	17.13	17.53	17.94	18.36	18.80	19.25	19.72	20.20
2	16.39	16.77	17.16	17.56	17.97	18.40	18.84	19.29	19.76	20.24
3	16.42	16.80	17.19	17.59	18.01	18.43	18.87	19.33	19.80	20.28
4	16.45	16.83	17.23	17.63	18.04	18.47	18.91	19.37	19.84	20.32
5	16.49	16.87	17.26	17.66	18.08	18.51	18.95	19.40	19.88	20.37
6	16.52	16.90	17.29	17.70	18.11	18.54	18.99	19.44	19.92	20.41
7	16.55	16.93	17.33	17.73	18.15	18.58	19.02	19.48	19.96	20.45
8	16.58	16.96	17.36	17.77	18.18	18.62	19.06	19.52	20.00	20.49
9	16.61	17.00	17.39	17.80	18.22	18.65	19.10	19.56	20.04	20.53
10	16.64	17.03	17.43	17.83	18.25	18.69	19.14	19.60	20.08	20.57
11	16.67	17.06	17.46	17.87	18.29	18.72	19.17	19.64	20.12	20.62



months	Age of member when benefits come into payment										
	55	56	57	58	59	60	61	62	63	64	65
0	20.66	21.17	21.71	22.26	22.84	23.43	24.04	24.67	25.33	26.00	26.70
1	20.70	21.22	21.76	22.31	22.89	23.48	24.09	24.73	25.38	26.06	
2	20.74	21.26	21.80	22.36	22.93	23.53	24.15	24.78	25.44	26.12	
3	20.79	21.31	21.85	22.41	22.98	23.58	24.20	24.83	25.49	26.18	
4	20.83	21.35	21.89	22.45	23.03	23.63	24.25	24.89	25.55	26.24	
5	20.87	21.40	21.94	22.50	23.08	23.68	24.30	24.94	25.61	26.29	
6	20.92	21.44	21.99	22.55	23.13	23.73	24.36	25.00	25.66	26.35	
7	20.96	21.49	22.03	22.60	23.18	23.79	24.41	25.05	25.72	26.41	
8	21.00	21.53	22.08	22.65	23.23	23.84	24.46	25.11	25.78	26.47	
9	21.05	21.58	22.12	22.69	23.28	23.89	24.51	25.16	25.83	26.53	
10	21.09	21.62	22.17	22.74	23.33	23.94	24.57	25.22	25.89	26.59	
11	21.13	21.66	22.22	22.79	23.38	23.99	24.62	25.27	25.95	26.64	



Table G_87 (Table 610 in consolidated factors spreadsheet) – Factors for calculating lifetime allowance debit

Retirement not on grounds of ill health

Males and Females

Age last birthday at relevant date	Gross Pension of £1 per annum
48	24.46
49	24.14
50	23.79
51	23.42
52	23.02
53	22.60
54	22.16
55	21.69
56	21.21
57	20.72
58	20.22
59	19.72
60	19.20
61	18.68
62	18.16
63	17.62
64	17.08
65	16.53



Table H_87 (Table 611 in consolidated factors spreadsheet)– Factors for calculating lifetime allowance debit (retirement in ill health)

Males and Females

Age last birthday at relevant date	Gross Pension of £1 per annum
20	32.92
21	32.68
22	32.43
23	32.18
24	31.92
25	31.66
26	31.39
27	31.11
28	30.82
29	30.53
30	30.24
31	29.93
32	29.62
33	29.30
34	28.98
35	28.65
36	28.31
37	27.96
38	27.61
39	27.25
40	26.89
41	26.51
42	26.13
43	25.74
44	25.35
45	24.94
46	24.53
47	24.10
48	23.67
49	23.23
50	22.78
51	22.32
52	21.86
53	21.38
54	20.90
55	20.41
56	19.91
57	19.41
58	18.90
59	18.38



Appendix B: Assumptions underlying factors

Financial assumptions

Nominal discount rate	4.448%
CPI	2.00%
Real discount rate (in excess of CPI)	2.40%

Mortality assumptions

Members in normal health	117% of S2NMA (males) and 117% of S2NFA (females)
Members in ill health	100% of S2IMA (males) and 100% of S2IFA (females)
Dependants	116% of S2NMA (males) and 116% S2NFA (females)
Future mortality improvement	Based on ONS principal UK population projections 2016
Year of Use	2020

Other assumptions

Proportion of male members for unisex factors	70% for members and 30% for dependants
Age difference between member and partner	Males assumed 3 years older than female partners
Family statistics	80% (male), 75% (female) of members assumed married at retirement (85% (male), 80% (female) assumed partnered)
Allowance for commutation	Nil
Expense loading	Nil
Salary scale for transfers-in	In line with long term assumptions proposed for the 2016 valuation
In-service decrements (where applicable)	In line with 2016 valuation proposals



Appendix C: Limitations

- C.1 This guidance should not be used for any purpose other than those set out in this guidance.
- C.2 The factors contained in this guidance are subject to regular review. Scheme managers and administrators need to ensure that they are using the latest factors, as relevant, when processing cases.
- C.3 Advice provided by GAD must be taken in context and is intended to be considered in its entirety. Individual sections, if considered in isolation, may be misleading, and conclusions reached by a review of some sections on their own may be incorrect. GAD does not accept responsibility for advice that is altered or used selectively. Clarification should be sought if there is any doubt about the intention or scope of advice provided by GAD.
- C.4 This guidance only covers the actuarial principles around the calculation and application of annual allowance scheme pays offset and lifetime allowance pension debit factors. Any legal advice in this area should be sought from an appropriately qualified person or source.
- C.5 Scheme managers and administrators should satisfy themselves that annual allowance scheme pays offset and lifetime allowance pension debit calculations and benefit awards 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 and GAD. Under no circumstances should this guidance take precedence over the Regulations. Administrators should ensure that they comply with all relevant Regulations