Government Actuary's Department

Police pension schemes (Scotland)

2006 Scheme

Transfer values and pension sharing on divorce

Factors and guidance

Date: 10 December 2020

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1   Introduction

1.1   This note is provided for the Scottish Public Pensions Agency (SPPA) as scheme manager of the police pension schemes in Scotland. This note relates to the 2006 scheme and it sets out the general method for assessing:

- statutory (non-Club) Cash Equivalent Transfer Values (CETVs), including CETVs for active and deferred members entitled to immediate benefits

- pensioner cash equivalents on divorce

- pension credits for ex-partners on divorce

- pension debits applied to member's pensions on divorce

- retirement timing factors to be applied to pension debits.

1.2   Separate guidance will be issued covering the factors:

- for use in the 1987 and 2015 schemes

- for the calculation of service credits on incoming non-Club transfers into the 2006 scheme.

1.3   The factors provided in this note have been prepared in light of our advice to SPPA dated 30 October 2018 and its instructions following that advice.

1.4   The actuarial factors in this note come into force from 30 October 2018.

1.5   This guidance is intended to supersede any factors and guidance previously issued by GAD for the purposes of calculating CETVs, carried out from 29 October 2018. No advice or factors issued in the past should be used for CETV cases after this date. In particular, this guidance supersedes:

"Police Pension Schemes (Scotland) 2006 Scheme: Transfer Values and pension sharing on divorce – Factors and guidance" 8 May 2015

and the addendum to the above guidance note:

"Addendum to GAD guidance note Police Pension Schemes (Scotland) 2006 Scheme: Transfer Values and pension sharing on divorce – Factors and guidance 16 March 2016

1.6   This note contains the tables and guidance to be issued by the scheme actuary referred to in the following regulations of the Police Pensions (Scotland) Regulations 2007 (as amended) (SSI 2007/201):

- regulation 26 – reduction to aggregate pension contributions in respect of pension debit

- regulation 36 – application of pension debit to officer's pension

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- regulation 61 – determination of pension credit

- regulation 78 – transfer value payable on leaving 2006 scheme.

1.7   For members with entitlement to benefits in the 2006 scheme and either of the 1987 or 2015 schemes, the benefits in each scheme should separately be treated in accordance with the guidance relating to that scheme.

1.8   In this guidance we have used the term 'retires' or 'retirement' to mean the date the pension commences payment (consistent with previous versions of this guidance document). We are aware that the Police Pensions (Scotland) Regulations 2007 include a specific definition of the term 'Effective date of retirement' (regulation 22) which in certain circumstances could conflict with our use of the term retirement. The meaning intended in this guidance should be clear from the context within which it is used.

Exclusions and Scope

1.9   This note does not cover transfers to and from the 2006 scheme under the Public Sector Transfer Club. Factors and guidance for these transfers are issued by the Club Secretariat.

1.10   This note does not cover transfers to and from the British Transport Police Force Superannuation Fund under any bilateral agreement.

1.11   Nothing in this guidance should be read as overriding the regulations which govern the scheme.

Implementation and Review

1.12   The factors contained in this guidance will apply from 30 October 2018.

1.13   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.

1.14   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.

1.15   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.

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Third party reliance

1.16   This guidance has been prepared for the use of SPPA for the purposes of demonstrating the application of the factors covered by this guidance only. This guidance may be published on SPPA'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.

1.17   Other than SPPA, 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.

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2   Transfer values on transfers out of the 2006 scheme

2.1   This section sets out how to calculate statutory (non-Club) Cash Equivalent Transfer Values (CETVs) from the 2006 scheme.

Non-Club transfers out

2.2   Members of the 2006 scheme are generally entitled to take a transfer value to another pension arrangement. Where the new pension scheme is another scheme that does not participate in the Public Sector Transfer Club, the transfer will normally be effected on the non-Club terms set out in this note.

2.3   The Police Pensions (Scotland) Regulations 2007 define the circumstances under which a member is entitled to take a transfer value. Members with over three months of service would generally be entitled to a transfer value. Members with less than two years of qualifying service would normally be entitled to a refund of contributions. Members with between three months and two years of service would generally have a choice between a transfer value and a refund of contributions.

2.4   In previous factors and guidance, an adjustment was applied to GMP to reflect the inflationary increases on the GMP, which were the responsibility of the State Scheme after GMP Payment Age. Following the requirement to equalise GMPs as set out in our letter "GMP Equalisation: Calculations involving actuarial factors" dated 9 August 2019, the GMP adjustment factor has been removed from the calculation methodology for all members reaching State Pension age after 6 April 2016 with effect from 9 August 2019.

2.5   Our understanding of the usual transitional arrangements is that quotes are made using factors effective at that time. Therefore, where calculations are carried out before 9 August 2019 we would expect the following to apply:

   • If the member replies within the guarantee period and before the implementation date, the original quote is honoured including the adjustment applied to GMP.

   • If the member replies within the guarantee period but after implementation date, the approach most beneficial to member are used.

   • If the member replies outside of the guarantee period, the CETV is recalculated. No adjustment is made in respect of GMP.

2.6   Any current cases where a CETV is required for a member reaching State Pension age before 6 April 2016 should be referred to GAD.

Guarantee date

2.7   The relevant date for calculating a transfer value is the 'guarantee date' as defined in The Occupational Pensions Schemes (Transfer Values) Regulations 1996 (as amended), i.e. it must be within 3 months (or exceptionally 6 months) of the date of the member's application.

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2.8   A transfer value should be guaranteed for three months from the guarantee date. If a request to pay the transfer value is made within three months of the guarantee date, it will not be necessary to recalculate the transfer value.

Calculation of pension benefits

2.9   The benefits to be valued for serving police officers are those that would be payable if the member had left service on the date of the calculation – either deferred benefits or the payment of immediate benefits. For a member with less than two years of service the benefits valued are the deferred benefits that would be payable if there were not a two-year qualifying period for deferred benefits.

2.10   The benefits to be valued for a deferred member seeking a transfer out of the scheme should include revaluation to the guarantee date. The accrued pension benefits should be calculated at the last day of service, and then increased in line with Pensions Increase (Review) Orders. Any Guaranteed Minimum Pensions (GMPs) should be increased in line with the Revaluation of Earnings (Section 148) Orders.

Calculation of the transfer value

Members not entitled to immediate benefits

2.11   The formula to calculate the non-Club transfer value for members who are entitled to immediate benefits is given in 2.12 below. The formulae below should be used for all other members: that is, for those members who are **not** entitled to immediate benefits. This includes active members below age 55 and deferred members below age 65.

for all members

$$(CP \times F_p) + (LS \times F_{ls}) + (SUR \times F_{sur})$$

CP	member's pension
LS	member's lump sum
SUR	pension payable on the death of the member to their spouse or partner
F_p	factor for member's pension – **Table NA1_06, NA2_06** or **NA3_06**
F_{ls}	factor for member's lump sum – **Table NA1_06, NA2_06** or **NA3_06**
F_{sur}	factor for survivor's pension – **Table NA1_06, NA2_06** or **NA3_06**

Active members entitled to immediate benefits

2.12 For active members who are entitled to immediate benefits (such as those aged over 55), the transfer value should be calculated using the following formula:

$(CP \times F_p) + (SUR \times F_{sur}) + LS$

CP	member's pension
LS	member's lump sum
SUR	pension payable on the death of the member to their spouse or partner
F_p	factor for member's pension –**Table NF1_06** or **NF2_06**
F_{sur}	factor for survivor's pension –**Table NF1_06** or **NF2_06**

Members with a pension debit

2.13 The transfer value should be calculated in two stages. Firstly, a gross transfer value should be calculated ignoring the pension debit. Secondly, the value of the pension debit should be calculated (i.e. the transfer value of a deferred pension of the same amount as the debit). The results of both calculations should be passed to the receiving scheme. The transfer value paid is the net amount: the gross transfer value less the value of the pension debit.

Underpin in respect of previous transfer in

2.14 If the member has received a transfer in of benefits from another scheme, then an underpin applies to the CETV. The underpin is calculated using the following formula:

Underpin = $TV_{ActSer} + TV_{in}$

TV_{ActSer}	the transfer value based on actual service, calculated in accordance with 2.15 below
TV_{in}	the value of the previous transfer in, calculated in accordance with 0 below

2.15 The transfer value based on actual service is calculated as for a normal transfer value, but the value of the benefits is based on reckonable service in the 2006 scheme ignoring any service credit in respect of the previous transfer in. The member's pension (CP), the member's lump sum (LS) and the pension payable on the death of the member to their spouse or partner (SUR) should be recalculated using the actual service figure. Then TV_{ActSer} can be calculated using the formula in 2.11 or 2.12 as appropriate.

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2.16   The value of transferred in service TV_{in} is usually the amount of the previous transfer value received by Police Scotland but there are some exceptions. The value to use for different types of transfer in are as follows:

- Where the transfer in was a statutory CETV (i.e. non-Club) transfer, TV_{in} is the transfer value that was received.
- Where the transfer in was a Club transfer, TV_{in} is the transfer value that was received.
- Where the transfer in was received from the British Transport Police Force Superannuation Fund, TV_{in} is the statutory CETV that would otherwise have been available to the member from the BTPFSF at the date of the previous transfer.
- Where the transfer in was from the 1987 scheme on the special conversion terms available from that scheme in certain circumstances, TV_{in} is the CETV that would otherwise have been available on the effective date of the transfer.
- Where the transfer in was from a bulk transfer into the 2006 scheme, TVin is the CETV that would have been available from the member's previous scheme at the date of transfer.

2.17   If more than one transfer in has been received, TVin should be the sum of the specified figures for all the transfers received. There is no need to perform the underpin check in respect of transfers in from the corresponding 2006 scheme schemes in other parts of the UK.

2.18   If the underpin calculated in 2.14 is greater than the transfer value calculated in 2.11 or 2.12, then the transfer value should be increased so that it equals the underpin.

Value of section 9(2B) rights

2.19   The value of post-1997 contracted-out rights (known as section 9(2B) rights) may need to be shown separately on the transfer value statement.

2.20   If the underpin described above applies, then the value of section 9(2B) rights is the sum of:

- the transfer value based on actual service on and after 6 April 1997
- the part of any transfer value received which related to section 9(2B) rights.

Member contribution underpin to CETV

2.21   If the transfer value calculated in 2.11 or 2.12 is less than the member's aggregate pension contributions (without interest) then the transfer value should be increased so that it equals the aggregate contributions.

2.22   If the member has previously received a transfer in of benefits from another scheme, then the underpin in relation to that transfer in applies (as described in paragraphs 2.14 to 2.18 above). In this circumstance, the member contribution underpin applies to the calculation of TV_{ActSer} (as defined in paragraph 2.15 above), and **not** to the sum of $TV_{ActSer} + TV_{in}$.

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Value of GMP benefits

2.23   The previous version of this guidance note included calculation methodology to allow administrators to value the accrued GMP, typically for use in cases where the value of the GMP was to be quoted separately or liability for the GMP was to be retained within the 2006 scheme. Factor table **Table N_06** was provided for this purpose. We understand that there is no longer a requirement to provide the value of the GMP on transfer values and therefore we have not included the calculation methodology or factors in this guidance. Please contact GAD if a GMP value is required for a particular case.

Pension debit members

2.24   If a pension debit member requests a statutory CETV, the quotation given should be based on the pension benefits after the debit. The member's benefits should be calculated as at the guarantee date, initially ignoring the pension debit. The pension debit should be revalued to the guarantee date and deducted from the member's benefits. The transfer value quotation should be based on the benefits after the debit.

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3 Pension sharing on divorce

Introduction

3.1 This section sets out the method and instructions for calculating cash equivalents on divorce, and calculating pension credits and pension debits.

3.2 Paragraphs 3.8 to 3.18 discuss some general points around the calculation of cash equivalents for the purpose of divorce proceedings.

3.3 Paragraphs 3.19 to 3.26 set out the circumstances under which it is appropriate to adjust a cash equivalent for divorce purposes to allow for the inflationary increases on Guaranteed Minimum Pension (GMP) which are part of the State Scheme. Adjustments should only be applied in respect of members who reached State Pension Age before 6 April 2016 and who have a GMP.

3.4 Paragraphs 3.27 to 3.36 set out the calculations of the cash equivalents for pensioners and paragraphs 3.37 to 3.41 for active and deferred members.

3.5 Paragraphs 3.42 to 3.46 discuss the calculation of the value of the benefits that will be transferred to the ex-partner after the court has issued the pension sharing order.

3.6 Paragraphs 3.47 to 3.53 set out the calculation of the pension credit for the ex-partner.

3.7 Paragraphs 3.54 to 3.76 set out the calculation of the member's pension debit.

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Cash equivalents on divorce: General considerations

3.8   In any divorce proceedings dealing with the division of matrimonial assets, the parties are required to disclose to each other and to the Court, all their financial interests. This will include details relating to pension benefits that are shareable regardless of whether a pension sharing order will eventually be made.

3.9   The calculations set out in this note determine the value of pension rights for a member of the 2006 Scheme, as required for the divorce proceedings. The methods described should be used both when a member applies for a quotation of the value of the benefits during the divorce proceedings, and after a pension sharing order has been made.

3.10   The calculations required and the factor tables used depend on the status of the member at the calculation date, including their age, normal pension age and the date on which they will reach (or did reach) State Pension age.

3.11   The methodology for former members who are receiving pension benefits at the time of the divorce is set out in paragraphs 3.27 to 3.36. Paragraphs 3.37 to 3.41 cover the provisions for serving police officers and deferred pensioners.

3.12   If the other party in the divorce proceedings also has 2006 Scheme benefits, or either party has 1987 or 2015 Scheme benefits, then separate valuations are required in respect of those pension rights.

3.13   For divorce cases in Scotland, the cash equivalent calculated in accordance with this guidance is then adjusted in accordance with regulation 4 of the Divorce etc (Pensions) (Scotland) Regulations 2000 (SSI 2000/112) subject to any relevant case law, such as *McDonald v McDonald* [2017] UKSC 52.

Calculation Date

3.14   The **calculation date** will depend on the stage of the divorce:

• If a quotation is required for part of the proceedings, in Scottish cases, the calculation date will usually be specified by the court. For divorces in England, Wales and Northern Ireland, the calculation date used should be consistent with the date used for normal transfer value calculations (i.e. the guarantee date).

• If the calculation is being done after a pension sharing order has been made, the calculation date should be day on which the relevant order or provision takes effect. This is often referred to as the "transfer day", as defined in section 29 of the Welfare Reform and Pensions Act 1999[1] (the 1999 Act).

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[1] The Welfare Reform and Pensions Act 1999 (1999 c. 30) applies in England, Wales and Scotland. The corresponding legislation in Northern Ireland is Article 26 of The Welfare Reform and Pensions (Northern Ireland) Order 1999 (1999 No. 3147).

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Selection of factors

3.15   Factors should be selected with reference to the member's status and age last birthday at the **calculation date**, which should be determined in line with the section above.

3.16   For calculations being completed after a pension sharing order has been made, there may be some time between the **calculation date** (which should be the day on which the relevant order or provision takes effect) and the date on which administrators process the calculation (sometimes referred to as the "valuation day", as defined in section 29 of the 1999 Act). In some cases, it's possible that different sets of factors will be in force on the two dates. In these circumstances, the set of factors that are in force on the day administrators process the calculation should be used. Individual factors should be selected from this factor set with reference to the member's or ex-partner's status and age last birthday at the **calculation date**, in the normal way.

Benefits to be valued

3.17   Full details of the benefits to be included in the calculation of cash equivalents for divorce purposes are set out in paragraphs 3.32 to 3.36, for members in receipt of scheme benefits, and Section 2, for active and deferred members.

3.18   It is important that the amount of all relevant benefits used in the calculation should be the amount taken immediately before the **calculation date**. This is consistent with the requirements set out in section 29 of the 1999 Act:

"Where the [pension scheme member] is in pensionable service under the scheme on the transfer day, the relevant benefits … are the benefits or future benefits to which he would be entitled under the scheme by virtue of his shareable rights under it had his pensionable service terminated immediately before that day. Otherwise, the relevant benefits … are the benefits or future benefits to which, immediately before the transfer day, the [member] is entitled…"

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Cash equivalents on divorce: Adjustments for Guaranteed Minimum Pension

GMP equalisation: impact on calculations

3.19   The calculations and formulae in this guidance contain adjustments to reflect the inflationary increases on a member's Guaranteed Minimum Pension (GMP), which have historically been the responsibility of the State Scheme after GMP Payment Age.

3.20   In previous versions of this guidance, this GMP adjustment was applied to all cash equivalent calculations.

3.21   However, following the requirement to equalise GMPs, as set out in our letter *"GMP Equalisation: Calculations involving actuarial factors"* dated 9 December 2020, and with effect from 9 December 2020:

> **GMP adjustment factors should no longer be applied in calculations for members who reach State Pension age (SPA) on or after 6 April 2016**

3.22   The cohorts of members who will be affected by this change will be:

- Males with a date of birth on or after 6 April 1951 **and** an accrued GMP

- Females with a date of birth on or after 6 April 1953 **and** an accrued GMP

3.23   For affected members in listed above, calculations of cash equivalents of member benefits should be undertaken using the methodology set out in this guidance note but with any GMP (pre or post 1988) set to zero. (Debits to a member's GMP following a divorce still need to be determined however.)

3.24   For the majority of affected calculations, the difference between the original and revised quotation is expected to be small, relative to the total transfer value. Not applying the GMP adjustment factors will increase the total transfer value.

3.25   No change should be made to existing methodology for members who reached State Pension age before 6 April 2016.

Transitional arrangements

3.26   The following transitional arrangements should apply to the affected members listed above.

- <u>New requests for a quotation as part of divorce proceedings, or new calculations after a pension sharing order has been made</u>

   GMP adjustment factors should no longer be applied.

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- <u>For existing requests for a quotation as part of divorce proceedings, but where final determination is yet to be made</u>

  Where possible to do so, the scheme administrator should identify any cases where GMP adjustment factors have been applied and provide a revised quotation. This mitigates the risk of challenge due to a failure to notify the court of a change in valuation.

- <u>Existing requests where a pension sharing order has been made, but calculations have not yet been provided to the member</u>

  GMP adjustment factors should no longer be applied. This is the case even when the date of the calculation is prior to [9 August 2020

- <u>Existing requests where a pension sharing order has been made, and results were provided to the member before 9 August 2020</u>

  No changes should be made to existing calculations where the member and/or ex-partner has already been provided with the results. This includes cases where a pension sharing order has already been implemented.

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Cash equivalents on divorce: Members already in receipt of benefits

3.27 Members already in receipt of benefits do not have an entitlement to a cash equivalent transfer value. The pensioner cash equivalent value can be calculated using the method and factors in this note, but _should be used for divorce purposes only._

3.28 There are two sets of **Tables**:

- **Table G_06** : Pensioners who retired on ordinary grounds
- **Table H_06** : Pensioners who retired on medical grounds.

3.29 The main difference between Table G_06 and Table H_06 is that Table H_06 allows for the heavier mortality experienced on average by those who retire due to ill health.

3.30 For ill-health pensioners under the age of 55, Table H_06 should only be used where full pension increases are payable in the period up to age 55. If a member's pension has commenced on ill health grounds, and pension increases are not payable before age 55 then the case should be referred to GAD.

Calculation

3.31 The pensioner cash equivalent should be calculated as follows:

$$(CP \times F_p) + (SUR \times F_{sur}) - ([PRE\ GMP + (G_{post88} \times POST\ GMP)] \times F_{Pre\ GMP})$$

CP	current member's pension, see paragraphs 3.32 to 3.34
SUR	pension payable on the death of the member to their partner, see paragraphs 3.32 to 3.34
PRE GMP	annual GMP accrued before 6 April 1988, including revaluation (for those who reached SPA before 6 April 2016); see paragraphs 3.35 and 3.36 _or_ zero (for those who reached SPA on or after 6 April 2016)
POST GMP	annual GMP accrued from 6 April 1988, including revaluation (for those who reached SPA before 6 April 2016); see paragraphs 3.35 and 3.36 _or_ zero (for those who reached SPA on or after 6 April 2016)
F_p	factor for member's pension – **Table G1_06, G2_06, H1_06 or H2_06**
F_{sur}	factor for survivor's pension – **Table G1_06, G2_06, H1_06 or H2_06**
$F_{Pre\ GMP}$	factor for GMP saving accrued before 6 April 1988 – **Table G1_06, G2_06, H1_06 or H2_06**
G_{post88}	conversion factor applied to GMP deduction, for GMP amount in respect of service from 6 April 1988. Please see note in **Table G1_06, G2_06, H1_06 or H2_06**

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Pension benefits

3.32   The member's pension (CP) should be the rate of pension in payment at the calculation date. The survivor's pension (SUR) should be the rate at which a post-retirement widow(er)'s pension would be payable if the member had died immediately before the calculation date. The last pension increase should be that awarded up to and including the April increase immediately prior to the calculation date.

3.33   If the member's pension is reduced due to abatement or suspension due to re-employment, then the abatement reduction should be ignored for the purpose of this calculation. Benefits should be calculated as though the member had ceased re-employment and valued accordingly.

3.34   If the member retired on ill health grounds and Police Scotland has reduced the pension because it had been demonstrated that the pensioner had brought about the disability by his own default, please refer the case to GAD.

Guaranteed Minimum Pension

3.35   For members who reached State Pension age before 6 April 2016, the cash equivalent must be adjusted to reflect increases on the Guaranteed Minimum Pension (GMP) that are the responsibility of the State. Separate pre and post 1988 GMP figures need to be used.

3.36   Where the GMP is not yet in payment, the GMP amounts used in the calculation should include revaluation using Section 148 orders,. Where the GMP is in payment, the GMP amounts used in the calculation should be the actual GMP amounts in payment at the calculation date. Annual GMP figures can be obtained by multiplying the weekly GMP figures by 52.

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Cash equivalents on divorce: Active members and deferred pensioners

3.37   Where the benefits have not yet come into payment, the cash equivalent value quoted should be the same as the statutory CETV (i.e. non-Club transfer value) that would be payable. This should generally be calculated using the same approach as would apply to a normal non-Club transfer value, even if the member is not normally entitled to a transfer value.

3.38   The benefits to be valued for serving police officers are those that would be payable if the member had left service – either deferred benefits or the payment of immediate benefits. Those with less than three months of service would normally be entitled only to a refund of contributions. However, deferred benefits should be valued for divorce purposes.

3.39   The calculation date should be selected in line with paragraph 3.14 of this guidance note.

3.40   The cash equivalent value should be calculated in accordance with section 2 of this note. Note that if the member has previously received a transfer in of benefits from another scheme then the underpin as set out in paragraph 2.14 should apply to cash equivalent value. Similarly, the member contribution underpin set out in 2.21 also applies to the cash equivalent value. (That is, the underpins in 2.14 and 2.21 apply to both CETV calculations and to calculations where a cash equivalent value is required for pension sharing on divorce purposes).

3.41   Where a member has one or more pension debits (either in respect of a previous divorce or one or more annual allowance tax charges), the cash equivalent should be calculated in two stages.

   1. The gross cash equivalent should be calculated ignoring all pension debits.

   2. The value of each pension debit (revalued to the calculation date) should be calculated as the cash equivalent of a deferred pension of the same amount as the debit.

   The final cash equivalent to be used for divorce purposes is the gross cash equivalent calculated in stage one, less the value of all pension debits calculated in stage two.

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Calculation of the value of the shareable rights

3.42   When a pension sharing order is received from the Court, the first stage is to check that all the necessary information has been provided and any charges requested at this stage have been paid. The value of the member's benefits should be recalculated, as described in the paragraphs above. In the case of an active member, the benefits should be those to which the member would be entitled if pensionable service had terminated immediately before the transfer day (the transfer day is the day when the order takes effect). The cash equivalent should be based on the age of the member at the **calculation date** which will be the "transfer day".

3.43   For divorces under English law and Northern Irish law, the pension sharing order will specify the percentage of the member's benefits that the ex-partner will be entitled to. The member's cash equivalent obtained in 3.42 should be multiplied by this percentage, to give the value of the ex- partner's benefits, or the ex-partner's cash equivalent (ESCE):

ESCE = (CE x appropriate percentage ÷ 100) – Charges

CE   cash equivalent of the member's benefits

Charges   are any charges to cover the cost of the work generated by the pension sharing order, which Police Scotland have decided should be deducted from the value of benefits awarded to the ex-partner

3.44   Under Scottish law, the pension sharing order will usually specify a monetary amount (MA). The percentage for the pension debit should be calculated as the ratio of the monetary amount and the cash equivalent:

appropriate percentage = (MA ÷ CE) × 100

3.45   Use the appropriate percentage to calculate the ex-partner's cash equivalent using the formula in 3.43. The ESCE will be equal to the monetary amount specified in the order, less charges.

3.46   The value of the shareable rights calculated in this way should be used to derive both the pension debit and the pension credit, as described in the paragraphs below.

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Calculation of the pension credit for the ex-partner

3.47   This section sets out the method for calculating the pension credit payable to the ex-partner following the issue of a pension sharing order by the Court. **Table K_06** sets out the factors needed to calculate the pension credit for the ex-partner.

3.48   The calculation factors should be selected using the age of the ex-partner at the transfer day. **Do not use the age of the member.**

Calculation where the member is a current pensioner

3.49   If the member is a current pensioner and so has received their lump sum, the pension credit will be:

$$ESCE \div F_p$$

ESCE   the ex-partner's cash equivalent – see paragraphs 3.43 and 3.45

F_p factor for ex-partner pension – **Table K_06**

Calculation where the member is an active member or a deferred pensioner

3.50   If the member is an active member or a deferred pensioner and so has not received their lump sum, the pension credit will be:

$$ESCE \div [\ F_p\ +\ (4 \times F_{ls}\ )]$$

ESCE   the ex-partner's cash equivalent – see paragraphs 3.43 and 3.45

F_p factor for ex-partner pension – **Table K_06**

F_{ls} factor for ex-partner lump sum – **Table K_06**

Pension credit benefits

3.51   The pension credit will be paid when the ex-partner reaches age 65, or immediately if the ex-partner is over age 65.

3.52   The ex-partner's pension credit will be subject to pension increases under the provisions of the Pensions (Increase) Acts.

3.53   If the pension credit was calculated under 3.50, then the ex-partner will receive a lump sum when they reach age 65, or immediately if they are already aged over 65. The lump sum will be equal to the annual rate of the pension credit when it comes into payment multiplied by 4.

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Calculation of the pension debit

3.54 This section sets out the method and instructions for calculating the pension debit to be applied to the member's benefits following the issue of a pension sharing order by the Court:

- Where the member is a pensioner, the debit will apply to the member's own pension with immediate effect and also to the pension payable to a future surviving qualifying partner on the member's death.

- Where the member is a deferred pensioner, the debit will apply to the member's pension at the point when the pension becomes payable. A corresponding debit is also applied to the member's lump sum on retirement. The debit will also apply to the pension payable to a future surviving qualifying partner on the member's death.

- Where the member is still contributing to the scheme, the debit will be calculated assuming retirement at age 65, as if pensionable service terminated immediately before the transfer day (or assuming the pension commences immediately if the member is entitled to immediate benefits). If the member chooses to take their pension at an earlier age, the debit will be reduced. A corresponding debit is also applied to the member's lump sum on retirement. The debit will also apply to the pension payable to a future surviving qualifying partner on the member's death.

3.55 Note that if a member (whether an active, deferred or pensioner member at the date of the pension sharing order):

- takes their pension early due to ill health, **and**

- pension increases are not granted until age 55, **and**

- is still aged under 55 at the time their pension commences,

then the case should be referred to GAD.

Pension debit for current pensioner

3.56 For divorces in England and Wales and Northern Ireland, the pension sharing order will specify the percentage of the member's benefits that the ex-partner will be entitled to.

For divorces in Scotland, the value of the cash equivalent to be shared will be specified, and the proportion will be calculated as described in paragraph 3.44.

3.57 The debit applying to the member's pension will be:

MEMDEB = CP × appropriate percentage ÷ 100

3.58 The debit applying to any future surviving qualifying partner's pension will be:

SURDEB = SUR × appropriate percentage ÷ 100

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3.59   The debit applying to the GMP will be:

PREGMPDEB = PRE GMP $\times$ appropriate percentage $\div$ 100

POSTGMPDEB = POST GMP $\times$ appropriate percentage $\div$ 100

3.60   CP, SUR, PRE GMP and POST GMP are defined in paragraph 3.31. The amounts should be the same as used to recalculate the cash equivalent of the member's benefits in 3.42.

Pension debit for a deferred pensioner

3.61   The principle is the same as for the pensioner, except that the debit will not start to be deducted until the member's benefits come into payment, and there is also a debit to be applied to the lump sum.

3.62   Subject to paragraph 3.55, debits are calculated by reference to the benefits at exit:

MEMDEB = Member's pension at exit $\times$ appropriate percentage $\div$ 100

LSDEB = Lump sum at exit $\times$ appropriate percentage $\div$ 100

SURDEB = Survivor's pension at exit $\times$ appropriate percentage $\div$ 100

PREGMPDEB = PRE GMP at exit $\times$ appropriate percentage $\div$ 100

POSTGMPDEB = POST GMP at exit $\times$ appropriate percentage $\div$ 100

3.63   At retirement, both the unreduced benefit and the debit should be revalued from the date of exit to the date of retirement, and the revalued debit should be deducted from the revalued benefit.

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3.64   If the member's deferred pension and lump sum come into payment before age 65, whether on voluntary early retirement or on grounds of ill health, the debits applied should be reduced. This is because the debit will be applied over a longer period than was assumed in calculating the original amount of the debit, and so a lower amount should be deducted. The pension debit will be:

MEMDEB $\times$ **PI** $\times$ **MEMERF**

LSDEB $\times$ **PI** $\times$ **LSERF**

MEMDEB	pension debit to the member's pension at exit – see 3.62
LSDEB	pension debit to the lump sum at exit – see 3.62
PI	the pension increase uprating factor between the date of exit and the date of retirement
MEMERF	pension early retirement factor – **Table Q1_06** or **R1_06**, as appropriate
LSERF	lump sum early retirement factor – **Table Q2_06** or **R2_06**, as appropriate

Pension debit for an active member

3.65   The principle is that the debit acts as a negative deferred pension and lump sum that will be set against the member's benefits when they come into payment.

3.66   Subject to paragraph 3.55 above, debits are calculated by reference to the benefits used to recalculate the cash equivalent as at transfer day:

MEMDEB = Member's pension used in cash equivalent calculation $\times$ appropriate percentage $\div$ 100

LSDEB = Lump sum used in cash equivalent calculation $\times$ appropriate percentage $\div$ 100

SURDEB = Survivor's pension used in cash equivalent calculation $\times$ appropriate percentage $\div$ 100

PREGMPDEB = PRE GMP used in cash equivalent calculation $\times$ appropriate percentage $\div$ 100

POSTGMPDEB = POST GMP used in cash equivalent calculation $\times$ appropriate percentage $\div$ 100

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3.67   When the member retires, the total pension and lump sum are calculated in accordance with the regulations, initially ignoring the debits. The pension and lump sum are then reduced to allow for the debits. The debits should be revalued from the transfer day to the date of retirement.

3.68   If the member's pension comes into payment at the retirement age assumed in the recalculation of the cash equivalent then the appropriate amount to be deducted at retirement is the member's (revalued) debit. For members entitled to immediate benefits at the transfer day, the assumed retirement age is the age at the transfer day. For other members, the assumed retirement age is 65.

3.69   If the member's pension comes into payment at any time other than the assumed retirement age, the debit applied should be adjusted. This is to allow for the different period over which the pension debit will be deducted and the different date on which the lump sum debit will be deducted. Subject to paragraph 3.55 above, the debits will be:

MEMDEB $\times$ PI $\times$ MEMRTF

LSDEB $\times$ PI $\times$ LSRTF

MEMDEB	pension debit at divorce – see 3.66
LSDEB	pension debit at divorce – see 3.66
PI	the pension increase uprating factor between the transfer day and the date of retirement
MEMRTF	pension retirement timing factor, see 3.70
LSRTF	lump sum retirement timing factor, see 3.70

3.70   The retirement timing factors depend on the member's age at retirement and the assumed retirement age used in the calculation of the cash equivalent.

for members with an assumed retirement age of 65:

MEMRTF = MEMERF$_{ret}$

LSRTF = LSERF$_{ret}$

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for members entitled to immediate benefits at the transfer day:

MEMRTF = MEMERF$_{ret}$ ÷ MEMERF$_{trd}$

LSRTF = LSERF$_{ret}$ ÷ LSERF$_{trd}$

MEMERF$_{ret}$	pension early retirement factor at retirement age – **Table Q1_06** or **R1_06**, as appropriate
LSERF$_{ret}$	lump sum early retirement factor at retirement age – **Table Q2_06** or **R2_06**, as appropriate
MEMERF$_{trd}$	pension early retirement factor at member's age at the transfer day – **Table Q1_06** or **R1_06**, as appropriate
LSERF$_{trd}$	lump sum early retirement factor at member's age at the transfer day – **Table Q2_06** or **R2_06**, as appropriate

Pension debits – future partners

3.71 The benefits payable to a new partner who is eligible for a pension on the member's death should be reduced by the survivor's pension debit, revalued using the pension increase uprating factors.

3.72 No qualifying partner's benefits will be payable to the person who was party to the divorce resulting in the pension sharing order (except in the unlikely situation that the member entered into a new qualifying partnership with his or her ex-partner).

Pension debits – GMP debits

3.73 At the member's GMP pension age (or later retirement date) the GMP debit, calculated in the appropriate section above, should be increased to the member's GMP pension age (or later retirement date). All increases should be allowed for, including the late retirement increase of 1/7 of a percent (i.e. 1/700) a week if appropriate. The revalued debit should be deducted from the member's full GMP.

Pension debits – other benefits

3.74 No debit will be applied to a child's pension.

3.75 No debit will be made to the lump sum death grant payable to police officers who were contributing to the scheme at their death.

3.76 For the purpose of determining aggregate pension contributions under regulation 26 for the purposes of repayment (and for the purpose of determining death gratuities payable under regulations 44 and 45) the member's aggregate pension contributions paid before the effective date of the pension share should be reduced by a debit equal to the percentage ordered by the court, or as calculated in 3.44.

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4   Example calculations

4.1   This section provides examples of the calculations described in this note.

4.2   For the purposes of these examples, we have assumed that no charges are applied under paragraphs 3.43 to 3.45.

4.3   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.

4.4   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.

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Example 1: Statutory (non-Club) CETV transfer out

The following information is needed for this calculation:

A.	Member date of birth	23 March 1969
B.	Last date of service	28 August 2020
C.	Guarantee date	29 August 2020
D.	Member age	51 years
E.	Gender	Male
F.	Final Pensionable Pay	£43,000
G.	Reckonable service	16 years, 124 days
	of which:	
	Current service in 2006 scheme	124 days
	Service credit from CETV transfer value received	16 years
H.	CETV received by Police Scotland	£280,750
I.	Have the figures in I & J been revalued?	Yes
J.	Member's aggregate pension contributions	£2,050
K.	Accrued benefits at calculation date based on total service:	
	i. Member's Current Pension	£10,037.26 pa
	ii. Member's Lump Sum	£40,149.04
	iii. Survivor's Pension	£5,018.63 pa
L.	Accrued benefits at calculation date based on service in 2006 scheme:	
	i. Member's Current Pension	£208.69 pa
	ii. Member's Lump Sum	£834.76
	iii. Survivor's Pension	£104.35 pa

Formula

From 2.11, the formula to calculate the statutory transfer value is:

(CP $\times$ F$_p$) + (LS $\times$ F$_{ls}$) + (SUR $\times$ F$_{sur}$)

Inputs

CP = £10,037.26 pa (from **K.** above)

LS = £40,149.04 (from **K.** above)

SUR = £5,018.63 pa (from **K.** above)

F$_p$ = 12.18 (from **Table NA1_06** 'Pension of £1 pa' column)

F$_{ls}$ = 0.73 (from **Table NA1_06** 'Lump sum of £1' column)

F$_{sur}$ = 2.79 (from **Table NA1_06** 'Survivor's pension of £1 pa' column)

Calculation

Substituting these values into the formula we get:

TV = (£10,037.26 x 12.18) + (£40,149.04 x 0.73) + (£5,018.63 x 2.79)

= (£122,253.83 + £29,308.80 + £14,001.98)

= £165,564.61

Therefore the statutory Transfer Value is **£165,564.61** (before consideration of underpin).

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Underpin

For the underpin calculation, first a transfer value needs to be calculated for the current period of service in the 2006 scheme – see paragraph 2.15.

Underpin Calculation inputs

CP = £208.69 pa (from **J.** above)

LS = £834.76 (from **J.** above)

SUR = £104.35 pa (from **J.** above)

F_p, F_{ls}, F_{sur} are unchanged

Underpin Calculation

Substituting these values into the transfer value formula, we get:

TV_{ActSer} = (£208.69 x 12.18) + (£834.76 x 0.73) + (£104.35 x 2.79)

$\qquad$ = £2,541.84 + £609.37 + £291.14

$\qquad$ = £3,442.35

Therefore, the Transfer Value out for the 124 days' service is **£3,442.35**.

Using 2.14, the underpin formula and value is:

Underpin = TV_{ActSer} + TV_{in}

$\qquad$ = £3,442.35 + £280,750.00

$\qquad$ = £284,192.35

The Underpin value is higher than the statutory CETV. Therefore the higher transfer value of **£284,192.35** should be used (see 2.18).

Member contribution underpin

4.5 The member's aggregate pension contributions are £2,050. Therefore the underpin described in paragraph 2.21 and 2.22 gives a lower value than TV_{ActSer} (£3,442.35) and the transfer value does not need to be increased further.

4.6 Therefore the statutory Transfer Value to be paid out is **£284,192.35** (after consideration of both underpins).

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Example 2: Pension sharing order for an active member (not entitled to immediate benefits)

Action at time of pension sharing order

Calculation of cash equivalent

A quotation of the Cash Equivalent value of the member's benefits will have been provided previously, during the divorce proceedings. However, the Cash Equivalent must be recalculated once the pension sharing order has been made. The following information is needed for this calculation:

A.	Member date of birth	15 February 1968
B.	Calculation date	23 October 2019
C.	Member age	51 years
D.	Gender	Female
E.	Accrued benefits at calculation date:	
	i. Member's Current Pension	£10,800 pa
	ii. Member's Lump Sum	£43,200
	iii. Survivor's Pension	£5,400 pa
F.	Member's aggregate pension contributions	£61,920

From 2.11, the formula to calculate the Cash Equivalent is:

$(CP \times F_p) + (LS \times F_{ls}) + (SUR \times F_{sur})$

We have:

CP = £10,800.00 pa (From **E.** above)

LS = £43,200.00 (From **E**. above)

SUR = £5,400.00 pa (From **E**. above)

F_p = 12.18 (from Table **NA2_06** 'Pension of £1 pa' column)

F_{ls} = 0.73 (from Table **NA2_06** 'Lump sum of £1' column)

F_{sur} = 2.79 (from Table **NA2_06** 'Survivor's pension of £1 pa' column)

Substituting these values into the formula we get:

CE = (£10,800.00 x 12.18) + (£43,200.00 x 0.73) + (£5,400.00 x 2.79)

= £131,544.00+ £31,536.00+ £15,066.00

= £178,146.00

Member contribution underpin

The member's aggregate pension contributions are £61,920. Therefore the underpin described in paragraph 2.21 gives a lower value than the calculation of the Cash Equivalent and the transfer value does not need to be increased.

Therefore the Cash Equivalent is **£178,146.00.**

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Calculation of the value of shareable rights

The following information is required from the pension sharing order:

    G. Proportion to which ex-partner is entitled   45%

From 3.43, the formula used to calculate the shareable rights is:

ESCE = (CE × appropriate percentage ÷ 100) − Charges

There are no implied charges for this example. Therefore:

ESCE = £178,146.00 x (45 ÷ 100)

        = £80,165.70

Calculation of the pension credit

The following information is required:

    H. Ex-partner date of birth   4 September 1979
    I. Ex-partner age   40 years
    J. Ex-partner gender   Female

From 3.50, where the member is active and the ex-partner is aged under 65, the formula used to calculate the pension credit is as follows:

ESCE ÷ [F_p + (4 × F_{ls})]

ESCE = £80,165.70(as calculated above)

F_p = 9.80 (from Table **K_06** 'Females - Pension of £1 per annum' column)

F_{ls} = 0.56 (from Table **K_06** 'Females - Lump sum of £1' column)

Therefore:

Pension Credit = £80,165.70 ÷ [9.80 + (4 x 0.56)]

                = £80,165.70 ÷ 12.04

                = £6,658.28 pa

The pension credit will come into payment when the ex-partner reaches age 65. A lump sum of 4 × the annual rate of the pension credit when it comes into payment will also be payable at age 65.

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Calculation of the pension debit

From 3.66, the formulae used to calculate the pension debits for an active member are:

MEMDEB = Member's pension used in cash equivalent calculation
× appropriate percentage ÷ 100

LSDEB = Lump sum used in cash equivalent calculation
× appropriate percentage ÷ 100

SURDEB = Survivor's pension used in cash equivalent calculation
× appropriate percentage ÷ 100

See the calculation of the cash equivalent for member's pension (CP), lump sum (LS) and survivor's pension (SUR). Substituting these into the formulae above we have:

MEMDEB = £10,800.00 x (45 ÷ 100)

= £4,860.00 pa

LSDEB = £43,200.00 x (45 ÷ 100)

= £19,440.00 pa

SURDEB = £5,400.00 x (45 ÷ 100)

= £2,430.00 pa

Action at retirement

The member retires from the police service at age 55.

K.	Date of retirement	28 February 2024
L.	Age at retirement	55 years, 0 months
M.	Full Pension at retirement	£38,500.00 pa
N.	Full Lump sum at retirement	£154,000.00
O.	Full Survivor's pension at retirement	£19,250.00 pa
P.	Pension increases factor	1.08

From 3.67 to 3.69 and 3.71, the formulae used to calculate the debits to apply at retirement are:

MEMDEB × PI × MEMRTF

LSDEB × PI × LSRTF

SURDEB × PI

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We have

PI = 1.08 (see P. above)

MEMDEB = £4,860.00 pa (from earlier)

LSDEB = £19,440.00 (from earlier)

SURDEB = £2,430.00 pa (from earlier)

From 3.70,

MEMRTF = MEMERF$_{ret}$

LSRTF = LSERF$_{ret}$

MEMERF$_{ret}$ = 0.585 (from **Table Q1_06** for a member aged 55 years, 0 months)

LSERF$_{ret}$ = 0.789 (from **Table Q2_06** for a member aged 55 years, 0 months)

Therefore:

Pension debit	= £4,860.00 x 1.08 x 0.585	
	= £3,070.55 pa	
Lump sum debit	= £19,440.00 x 1.08 x 0.789	
	= £16,565.21	
Survivor's pension debit	= £2,430.00 x 1.08	
	= £2,624.40 pa	

Therefore the member's actual entitlement to benefits at retirement after the application of the pension debit will be:

Actual Pension	= £38,500 – £3,070.55	= **£35,429.45 pa**
Actual Lump Sum	= £154,000.00 – £16,565.21	= **£137,434.79**
Actual Survivor's Pension	= £19,250.00 – £2,624.40	= **£16,625.60 pa**

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Example 3: Pension sharing order for an active member (entitled to immediate benefits)

Action at time of pension sharing order

Calculation of cash equivalent

A quotation of the Cash Equivalent value of the member's benefits will have been provided previously, during the divorce proceedings. However, the Cash Equivalent must be recalculated once the pension sharing order has been made. The following information is needed for this calculation:

A.	Member date of birth	1 December 1961
B.	Calculation date	2 December 2020
C.	Member age	59 years, 0 months
D.	Gender	Female
E.	Accrued benefits at calculation date:	
	i. Member's Current Pension	£18,500 pa
	ii. Member's Lump Sum	£74,000
	iii. Survivor's Pension	£9,250 pa
	iv. Pre 6/4/88 GMP revalued to calculation date	£208 *
	v. Post 6/4/88 GMP revalued to calculation date	£1,300 *
F.	Member's aggregate pension contributions	£77,520

* This member will reach State Pension Age on or after 6 April 2016. In line with paragraphs 3.19 to 3.25 of this guidance, cash equivalents for these members are not adjusted for pre 6/4/88 and post 6/4/1988 GMP. (Debits to a member's GMP following a divorce still need to be determined however.)

From 2.12, the formula to calculate the cash equivalent is:

$(CP \times F_p) + (SUR \times F_{sur}) + LS$

We have:

CP = £18,500.00 pa (from **E.** above)

LS = £74,000.00 (from **E.** above)

SUR = £9,250.00 pa (from **E.** above)

F_p = 19.72 (from **Table NF2_06** 'Pension of £1 pa' column)

F_{sur} = 2.97 (from **Table NF2_06** 'Survivor's pension of £1 pa' column)

Substituting these values into the formula we get:

CE = (£18,500.00 x 19.72) + (£9,250.00 x 2.97) + £74,000.00

    = £364,820.00 + £27,472.50 + £74,000.00

    = £466,292.50

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Member contribution underpin

The member's aggregate pension contributions are £77,520. Therefore the underpin described in paragraph 2.21 gives a lower value than the calculation of the Cash Equivalent and the cash equivalent does not need to be increased.

Therefore the Cash Equivalent is **£466,292.50**

Calculation of the value of shareable rights

The following information is required from the pension sharing order.

    G. Proportion to which ex-partner is entitled   40%

From 3.43, the formula used to calculate the shareable rights is:

(CE × appropriate percentage ÷ 100) – Charges

There are no implied charges for this example. Therefore:

ESCE   = £466,292.50 x (40 ÷ 100)

               = £186,517.00

Calculation of the pension credit

The following information is required

    H. Ex-partner date of birth   30 November 1954
    I. Ex-partner age   66 years
    J. Ex-partner gender   Male

From 3.50, where the member is active and the ex-partner is aged over 65, the formula used to calculate the pension credit:

ESCE ÷ [F_p + (4 × F_{ls})]

ESCE = £186,517.00 (as calculated above)

F_p = 16.38 (from **Table K_06** 'Males - Pension of £1 per annum' column)

F_{ls} = 1.00 (from **Table K_06** 'Males - Lump sum of £1' column)

Therefore:

Pension Credit = £186,517.00 ÷ [16.38+ (4 x 1.00)]

                 = £186,517.00 ÷ £20.38

                 = £9,151.96 pa

From 3.51, the pension credit will come in to payment immediately. A lump sum of 4 times the annual pension credit will also be payable immediately as per 3.53.

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Calculation of the pension debit

From 3.66, the formulae used to calculate the pension debits for an active member are:

MEMDEB = Member's pension used in cash equivalent calculation
        × appropriate percentage ÷ 100

LSDEB = Lump sum used in cash equivalent calculation
        × appropriate percentage ÷ 100

SURDEB = Survivor's pension used in cash equivalent calculation
        × appropriate percentage ÷ 100

PREGMPDEB = PRE GMP used in cash equivalent calculation
        × appropriate percentage ÷ 100

POSTGMPDEB = POST GMP used in cash equivalent calculation
        × appropriate percentage ÷ 100

See the calculation of the cash equivalent for member's pension (CP), lump sum (LS) and survivor's pension (SUR). Substituting these into the formulae above we have:

MEMDEB	= £18,500.00 x (40 ÷ 100)
	= £7,400.00
LSDEB	= £74,000.00 x (40 ÷ 100)
	= £29,600.00
SURDEB	= £9,250.00 x (40 ÷ 100)
	= £3,700.00
PREGMPDEB	= £208.00 x (40 ÷ 100)
	= £83.20
POSTGMPDEB	= £1,300.00 x (40 ÷ 100)
	= £520.00

Action at retirement

K.	Date of retirement	1 January 2021
L.	Age at retirement	60 years, 1 month
M.	Full Pension at retirement	£21,250 pa
N.	Full Lump sum at retirement	£85,000
O.	Full Survivor's pension	£10,625 pa
P.	Pension increases factor	1.035

Now from 3.67 to 3.69, 3.71 and 3.73, the formulae used to calculate the debits to apply at retirement are:

MEMDEB $\times$ PI $\times$ MEMRTF

LSDEB $\times$ PI $\times$ LSRTF

SURDEB $\times$ PI

We have

PI = 1.035 (see Q. above)

MEMDEB = £7,400.00 pa (from earlier)

LSDEB = £29,600.00 (from earlier)

SURDEB = £3,700.00 pa (from earlier)

From 3.70,

MEMRTF = MEMERF$_{ret}$ ÷ MEMERF$_{trd}$

LSRTF = LSERF$_{ret}$ ÷ LSERF$_{trd}$

MEMERF$_{ret}$ = 0.754 (from **Table Q1_06** for a member aged 60 years, 1 month)

LSERF$_{ret}$ = 0.890 (from **Table Q2_06** for a member aged 60 years, 1 month)

MEMERF$_{trd}$ = 0.712 (from **Table Q1_06** for a member aged 59 years, 0 months)

LSERF$_{trd}$ = 0.867 (from **Table Q2_06** for a member aged 59 years, 0 months)

Therefore:

Pension debit	= £7,400.00 x 1.035 x 0.754 ÷ 0.712
	= £8,110.79 pa
Lump sum debit	= £29,600.00 x 1.035 x 0.890 ÷ 0.867
	= £31,448.72
Survivor's pension debit	= £3,700.00 x 1.035
	= £3,829.50 pa

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Therefore the member's actual entitlement to benefits at retirement after the application of the pension debit will be:

Actual Pension	= £21,250.00 – £8,110.79	= **£13,139.21 pa**
Actual Lump Sum	= £85,000.00 – £31,448.72	= **£53,551.28**
Actual Survivor's Pension	= £10,625.00 – £3,829.50	= **£6,795.50 pa**

From 3.73 when the member reaches GMP pension age the GMP debits should be increased in the same as the member's GMP pension. The revalued debit should be deducted from the member's full GMP.

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Example 4: Pension sharing order for a current pensioner (not retired on ill health)

A quotation of the Cash Equivalent value of the member's benefits will have been provided previously, during the divorce proceedings. However, the Cash Equivalent must be recalculated once the pension sharing order has been made. The following information is needed for this calculation:

A.	Member date of birth	23 August 1952
B.	Calculation date	23 February 2020
C.	Member age	67 years
D.	Gender	Male
E.	Current benefits	
	i. Member's Current Pension	£2,250 pa
	ii. Survivor's Pension	£1,125 pa
	iii. Pre 6/4/88 GMP	£0*
	iv. Post 6/4/88 GMP revalued to calculation date	£200 pa*

* This member will reach State Pension Age on or after 6 April 2016. In line with paragraphs 3.19 to 3.25 of this guidance, cash equivalents for these members are not adjusted for pre 6/4/88 and post 6/4/1988 GMP and these amounts are treated as being zero. (Debits to a member's GMP following a divorce still need to be determined however.)

From 3.31, the formula to calculate a cash equivalent for a pensioner is:

$$\textbf{(CP} \times \textbf{F}_\textbf{p}\textbf{) + (SUR} \times \textbf{F}_\textbf{sur}\textbf{) – ([PRE GMP + (G}_\textbf{post88} \times \textbf{POST GMP)]} \times \textbf{F}_\textbf{Pre GMP}\textbf{)}$$

We have:

CP = £2,250.00 pa (see **E.** above)

SUR = £1,125.00 pa (see **E.** above)

F_p = 15.42 (from **Table G1_06** 'Pension of £1 pa' column)

F_{sur} = 2.90 (from **Table G1_06** 'Survivor's pension of £1 pa'' column)

F_{GMP} and G_{post88} are not required because PRE GMP and POST GMP have both been set to zero

Substituting these values into the formula we get:

CE = (£2,250.00 x 15.42) + (£1,125.00 x 2.9) – 0

= £34,695.00 + £3,262.50

= £37,957.50

Therefore the Cash Equivalent is **£37,957.50**.

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Calculation of the value of shareable rights

The following information is required from the pension sharing order.

    F. Proportion to which ex-partner is entitled   45%

From 3.46, the formula used to calculate the shareable rights is:

(CE x appropriate percentage ÷ 100) – Charges

There are no implied charges for this example. Therefore:

ESCE = £37,957.50 x (45 ÷ 100)

      = £17,080.88

Calculation of the pension credit

The following information is required:

    G. Ex-partner date of birth   4 December 1951
    H. Ex-partner age   68 years
    I. Ex-partner gender   Female

From 3.49, the formula used to calculate the pension credit for an ex-partner, if the member is a current pensioner, is:

ESCE ÷ F_p

ESCE = £17,080.88 (as given above)

F_p = 15.25 (from **Table K_06** 'Females - Pension of £1 per annum' column)

Therefore:

Pension Credit = £17,080.88 ÷ 15.25

        = £1,120.06 pa

The pension credit will come into payment immediately. No lump sum will be payable.

Calculation of the pension debit

From 3.57 to 3.59, the formulae used to calculate the pension debits for a current pensioner are:

MEMDEB = CP × appropriate percentage ÷ 100

SURDEB = SUR × appropriate percentage ÷ 100

PREGMPDEB = PRE GMP × appropriate percentage ÷ 100

POSTGMPDEB = POST GMP × appropriate percentage ÷ 100

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Member's pension and survivor's pension are given in E. earlier. Therefore:

MEMDEB   = £2,250 x (45 ÷ 100)

               = £1,012.50 pa

SURDEB   = £1,125 x (45 ÷ 100)

               = £506.25 pa

PREGMPDEB   = £0 x (45 ÷ 100)

               = £0 pa

POSTGMPDEB = £200 x (45 ÷ 100)

               = £90 pa

A pension debit of £1012.50 and a survivor's pension debit of £506.25 will take effect immediately. There is no pre 6/4/1988 GMP, but the member's post 6/4/1988 GMP will be reduced by £90 in annual amount terms.

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Appendix A: Tables of factors

[No table of figures entries found.](#)

Note on tables

Please note that the labelling of tables has been kept consistent with previously issued versions of this guidance.

Police pension schemes (Scotland)
2006 Scheme – Transfer values and pension sharing on divorce
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Table NA1_06 (Table 207 in consolidated factor spreadsheet): Non-Club Transfer value factors for deferred benefits payable from 65

Males [2]

Age last birthday at relevant date	Pension of £1 per annum	Lump sum of £1	Survivor's pension of £1 per annum
18	6.09	0.33	1.39
19	6.22	0.34	1.45
20	6.35	0.35	1.49
21	6.48	0.36	1.53
22	6.61	0.36	1.56
23	6.75	0.37	1.60
24	6.89	0.38	1.64
25	7.04	0.39	1.68
26	7.18	0.40	1.72
27	7.33	0.41	1.76
28	7.49	0.42	1.80
29	7.64	0.43	1.84
30	7.80	0.44	1.89
31	7.97	0.45	1.93
32	8.13	0.46	1.97
33	8.30	0.47	2.02
34	8.48	0.49	2.06
35	8.66	0.50	2.10
36	8.84	0.51	2.15
37	9.03	0.52	2.19
38	9.22	0.53	2.24
39	9.41	0.55	2.28
40	9.62	0.56	2.32
41	9.82	0.57	2.37
42	10.03	0.59	2.41
43	10.25	0.60	2.45
44	10.47	0.62	2.49
45	10.70	0.63	2.54
46	10.93	0.64	2.58
47	11.17	0.66	2.62
48	11.41	0.68	2.66
49	11.66	0.69	2.70
50	11.92	0.71	2.74
51	12.18	0.73	2.79
52	12.45	0.74	2.82
53	12.73	0.76	2.86
54	13.02	0.78	2.90

[2] As noted in paragraph 2.4, the GMP adjustment factor has been removed from the calculation.

Police pension schemes (Scotland)
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Table NA1_06 (Table 207 in consolidated factor spreadsheet): Non-Club Transfer value factors for deferred benefits payable from 65 *continued*

Males [3]

Age last birthday at relevant date	Pension of £1 per annum	Lump sum of £1	Survivor's pension of £1 per annum
55	13.32	0.80	2.94
56	13.63	0.82	2.97
57	13.95	0.84	3.00
58	14.28	0.86	3.02
59	14.63	0.88	3.05
60	14.98	0.90	3.07
61	15.36	0.92	3.08
62	15.75	0.94	3.10
63	16.16	0.97	3.11
64	16.59	0.99	3.11

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[3] As noted in paragraph 2.4, the GMP adjustment factor has been removed from the calculation.

Police pension schemes (Scotland)
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Table NA2_06 (Table 208 in consolidated factor spreadsheet: Non-Club Transfer value factors for deferred benefits payable from 65

Females aged below 60 [4]

Age last birthday at relevant date	Pension of £1 per annum	Lump sum of £1	Survivor's pension of £1 per annum
18	6.09	0.33	1.39
19	6.22	0.34	1.45
20	6.35	0.35	1.49
21	6.48	0.36	1.53
22	6.61	0.36	1.56
23	6.75	0.37	1.60
24	6.89	0.38	1.64
25	7.04	0.39	1.68
26	7.18	0.40	1.72
27	7.33	0.41	1.76
28	7.49	0.42	1.80
29	7.64	0.43	1.84
30	7.80	0.44	1.89
31	7.97	0.45	1.93
32	8.13	0.46	1.97
33	8.30	0.47	2.02
34	8.48	0.49	2.06
35	8.66	0.50	2.10
36	8.84	0.51	2.15
37	9.03	0.52	2.19
38	9.22	0.53	2.24
39	9.41	0.55	2.28
40	9.62	0.56	2.32
41	9.82	0.57	2.37
42	10.03	0.59	2.41
43	10.25	0.60	2.45
44	10.47	0.62	2.49
45	10.70	0.63	2.54
46	10.93	0.64	2.58
47	11.17	0.66	2.62
48	11.41	0.68	2.66
49	11.66	0.69	2.70
50	11.92	0.71	2.74
51	12.18	0.73	2.79
52	12.45	0.74	2.82
53	12.73	0.76	2.86
54	13.02	0.78	2.90
55	13.32	0.80	2.94
56	13.63	0.82	2.97
57	13.95	0.84	3.00
58	14.28	0.86	3.02
59	14.63	0.88	3.05

[4] As noted in paragraph 2.4, the GMP adjustment factor has been removed from the calculation

Police pension schemes (Scotland)
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Table NA3_06 (Table 209 in consolidated factor spreadsheet): Non-Club Transfer value factors for deferred benefits payable from 65

Females aged 60 and over [5]

Age last birthday at relevant date	Pension of £1 per annum	Lump sum of £1	Survivor's pension of £1 per annum
60	14.98	0.90	3.07
61	15.36	0.92	3.08
62	15.75	0.94	3.10
63	16.16	0.97	3.11
64	16.59	0.99	3.11

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[5] As noted in paragraph 2.4, the GMP adjustment factor has been removed from the calculation.

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Table NF1_06 (Table 210 in consolidated factor spreadsheet): Non-Club Transfer value factors for active members entitled to immediate benefits

Males [6]

Age last birthday at relevant date	Pension of £1 per annum	Lump sum of £1	Survivor's pension of £1 per annum
55	21.69	1.00	2.84
56	21.21	1.00	2.88
57	20.72	1.00	2.91
58	20.22	1.00	2.95
59	19.72	1.00	2.97
60	19.20	1.00	2.99
61	18.68	1.00	3.02
62	18.16	1.00	3.04
63	17.62	1.00	3.07
64	17.08	1.00	2.97

Table NF2_06 (Table 211 in consolidated factor spreadsheet): Non-Club Transfer value factors for active members entitled to immediate benefits

Females [7]

Age last birthday at relevant date	Pension of £1 per annum	Lump sum of £1	Survivor's pension of £1 per annum
55	21.69	1.00	2.84
56	21.21	1.00	2.88
57	20.72	1.00	2.91
58	20.22	1.00	2.95
59	19.72	1.00	2.97
60	19.20	1.00	2.99
61	18.68	1.00	3.02
62	18.16	1.00	3.04
63	17.62	1.00	3.07
64	17.08	1.00	2.97

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[6] As noted in paragraph 2.4, the GMP adjustment factor has been removed from the calculation
[7] As noted in paragraph 2.4, the GMP adjustment factor has been removed from the calculation

Police pension schemes (Scotland)
2006 Scheme – Transfer values and pension sharing on divorce
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Table G1_06 (Table 305 in consolidated factor spreadsheet): Pensioner cash equivalent factors for divorce purposes

Retirement *not* on grounds of ill health – Males

Age last birthday at relevant date	Pension of £1 per annum	Survivor's pension of £1 per annum	Deduction for GMP of £1 per annum
55	21.69	2.84	3.18
56	21.21	2.88	3.18
57	20.72	2.91	3.18
58	20.22	2.95	3.18
59	19.72	2.97	3.19
60	19.20	2.99	3.19
61	18.68	3.02	3.20
62	18.16	3.04	3.21
63	17.62	3.07	3.22
64	17.08	2.97	3.32
65	16.53	2.88	3.32
66	15.98	2.89	3.15
67	15.42	2.90	2.98
68	14.85	2.90	2.81
69	14.28	2.85	2.65
70	13.71	2.79	2.48
71	13.13	2.78	2.32
72	12.56	2.77	2.17
73	11.98	2.75	2.01
74	11.41	2.61	1.86
75	10.83	2.46	1.72
76	10.27	2.43	1.58
77	9.71	2.39	1.45
78	9.16	2.34	1.32
79	8.62	2.13	1.20
80	8.08	1.92	1.09
81	7.56	1.87	0.97
82	7.04	1.81	0.87
83	6.55	1.75	0.77
84	6.07	1.52	0.67
85	5.60	1.30	0.58
86	5.16	1.24	0.50
87	4.75	1.18	0.43
88	4.37	1.11	0.37
89	4.02	0.89	0.31
90	3.69	0.68	0.26
91	3.39	0.63	0.22
92	3.11	0.59	0.19
93	2.85	0.55	0.16
94	2.62	0.51	0.13
95	2.41	0.47	0.11

Police pension schemes (Scotland)
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Table G2_06 (Table 306 in consolidated factor spreadsheet): Pensioner cash equivalent factors for divorce purposes

Retirement *not* on grounds of ill health – Females

Age last birthday at relevant date	Pension of £1 per annum	Survivor's pension of £1 per annum	Deduction for GMP of £1 per annum
55	21.69	2.84	2.65
56	21.21	2.88	2.65
57	20.72	2.91	2.66
58	20.22	2.95	2.66
59	19.72	2.97	2.72
60	19.20	2.99	2.83
61	18.68	3.02	2.91
62	18.16	3.04	3.00
63	17.62	3.07	3.08
64	17.08	2.97	3.18
65	16.53	2.88	3.14
66	15.98	2.89	2.98
67	15.42	2.90	2.82
68	14.85	2.90	2.66
69	14.28	2.85	2.50
70	13.71	2.79	2.35
71	13.13	2.78	2.19
72	12.56	2.77	2.05
73	11.98	2.75	1.90
74	11.41	2.61	1.76
75	10.83	2.46	1.63
76	10.27	2.43	1.50
77	9.71	2.39	1.38
78	9.16	2.34	1.26
79	8.62	2.13	1.15
80	8.08	1.92	1.04
81	7.56	1.87	0.94
82	7.04	1.81	0.84
83	6.55	1.75	0.75
84	6.07	1.52	0.66
85	5.60	1.30	0.58
86	5.16	1.24	0.51
87	4.75	1.18	0.45
88	4.37	1.11	0.39
89	4.02	0.89	0.34
90	3.69	0.68	0.30
91	3.39	0.63	0.26
92	3.11	0.59	0.22
93	2.85	0.55	0.19
94	2.62	0.51	0.17
95	2.41	0.47	0.14

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Table H1_06 (Table 307 in consolidated factor spreadsheet): Ill health pensioner cash equivalent factors for divorce purposes

Retirement on grounds of ill health – Males

Age last birthday at relevant date	Pension of £1 per annum	Survivor's pension of £1 per annum	Deduction for GMP of £1 per annum
20	32.92	1.80	2.77
21	32.68	1.84	2.77
22	32.43	1.88	2.77
23	32.18	1.93	2.77
24	31.92	1.97	2.77
25	31.66	2.02	2.77
26	31.39	2.07	2.76
27	31.11	2.12	2.76
28	30.82	2.17	2.76
29	30.53	2.21	2.76
30	30.24	2.26	2.76
31	29.93	2.31	2.77
32	29.62	2.36	2.77
33	29.30	2.42	2.77
34	28.98	2.47	2.78
35	28.65	2.52	2.79
36	28.31	2.57	2.79
37	27.96	2.62	2.80
38	27.61	2.67	2.81
39	27.25	2.72	2.82
40	26.89	2.77	2.83
41	26.51	2.83	2.84
42	26.13	2.88	2.85
43	25.74	2.93	2.86
44	25.35	2.98	2.87
45	24.94	3.03	2.88
46	24.53	3.08	2.89
47	24.10	3.13	2.89
48	23.67	3.18	2.90
49	23.23	3.23	2.90
50	22.78	3.28	2.91
51	22.32	3.33	2.91
52	21.86	3.38	2.92
53	21.38	3.43	2.93
54	20.90	3.47	2.94
55	20.41	3.52	2.95
56	19.91	3.56	2.96
57	19.41	3.61	2.98
58	18.90	3.64	2.99
59	18.38	3.67	3.01

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Table H1_06 (Table 307 in consolidated factor spreadsheet): Ill health pensioner cash equivalent factors for divorce purposes

Retirement on grounds of ill health *continued* **– Males**

Age last birthday at relevant date	Pension of £1 per annum	Survivor's pension of £1 per annum	Deduction for GMP of £1 per annum
60	17.86	3.69	3.03
61	17.32	3.72	3.05
62	16.79	3.75	3.08
63	16.24	3.77	3.11
64	15.69	3.65	3.22
65	15.14	3.52	3.24
66	14.58	3.54	3.08
67	14.01	3.54	2.93
68	13.45	3.54	2.77
69	12.88	3.47	2.62
70	12.31	3.40	2.47
71	11.74	3.38	2.32
72	11.17	3.36	2.17
73	10.60	3.33	2.03
74	10.04	3.15	1.89
75	9.48	2.97	1.76
76	8.94	2.92	1.63
77	8.40	2.87	1.50
78	7.87	2.81	1.39
79	7.35	2.55	1.27
80	6.85	2.29	1.16
81	6.36	2.22	1.05
82	5.88	2.15	0.95
83	5.42	2.08	0.85
84	4.97	1.80	0.76
85	4.55	1.53	0.67
86	4.15	1.46	0.59
87	3.79	1.39	0.51
88	3.45	1.31	0.45
89	3.14	1.05	0.39
90	2.85	0.80	0.34
91	2.59	0.74	0.29
92	2.35	0.69	0.26
93	2.13	0.65	0.22
94	1.93	0.60	0.19
95	1.75	0.55	0.17

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Table H2_06 (Table 308 in consolidated factor spreadsheet): Ill health pensioner cash equivalent factors for divorce purposes

Retirement on grounds of ill health – Females

Age last birthday at relevant date	Pension of £1 per annum	Survivor's pension of £1 per annum	Deduction for GMP of £1 per annum
20	32.92	1.80	2.53
21	32.68	1.84	2.52
22	32.43	1.88	2.52
23	32.18	1.93	2.51
24	31.92	1.97	2.51
25	31.66	2.02	2.50
26	31.39	2.07	2.50
27	31.11	2.12	2.50
28	30.82	2.17	2.50
29	30.53	2.21	2.49
30	30.24	2.26	2.49
31	29.93	2.31	2.49
32	29.62	2.36	2.50
33	29.30	2.42	2.50
34	28.98	2.47	2.50
35	28.65	2.52	2.50
36	28.31	2.57	2.50
37	27.96	2.62	2.50
38	27.61	2.67	2.51
39	27.25	2.72	2.51
40	26.89	2.77	2.51
41	26.51	2.83	2.52
42	26.13	2.88	2.52
43	25.74	2.93	2.52
44	25.35	2.98	2.53
45	24.94	3.03	2.53
46	24.53	3.08	2.53
47	24.10	3.13	2.53
48	23.67	3.18	2.54
49	23.23	3.23	2.54
50	22.78	3.28	2.54
51	22.32	3.33	2.55
52	21.86	3.38	2.55
53	21.38	3.43	2.56
54	20.90	3.47	2.56
55	20.41	3.52	2.57
56	19.91	3.56	2.58
57	19.41	3.61	2.59
58	18.90	3.64	2.59
59	18.38	3.67	2.67

Police pension schemes (Scotland)
2006 Scheme – Transfer values and pension sharing on divorce
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Table H2_06 (Table 308 in consolidated factor spreadsheet): Ill health pensioner cash equivalent factors for divorce purposes

Retirement on grounds of ill health *continued* **– Females**

Age last birthday at relevant date	Pension of £1 per annum	Survivor's pension of £1 per annum	Deduction for GMP of £1 per annum
60	17.86	3.69	2.77
61	17.32	3.72	2.86
62	16.79	3.75	2.95
63	16.24	3.77	3.05
64	15.69	3.65	3.14
65	15.14	3.52	3.12
66	14.58	3.54	2.97
67	14.01	3.54	2.82
68	13.45	3.54	2.67
69	12.88	3.47	2.52
70	12.31	3.40	2.37
71	11.74	3.38	2.23
72	11.17	3.36	2.09
73	10.60	3.33	1.96
74	10.04	3.15	1.83
75	9.48	2.97	1.70
76	8.94	2.92	1.58
77	8.40	2.87	1.47
78	7.87	2.81	1.36
79	7.35	2.55	1.26
80	6.85	2.29	1.16
81	6.36	2.22	1.06
82	5.88	2.15	0.97
83	5.42	2.08	0.89
84	4.97	1.80	0.81
85	4.55	1.53	0.73
86	4.15	1.46	0.67
87	3.79	1.39	0.60
88	3.45	1.31	0.55
89	3.14	1.05	0.50
90	2.85	0.80	0.45
91	2.59	0.74	0.41
92	2.35	0.69	0.37
93	2.13	0.65	0.34
94	1.93	0.60	0.30
95	1.75	0.55	0.27

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Table K_06 (Table 325 in consolidated factor spreadsheet): Factors for calculating the pension credit

Age last birthday at relevant date[8]	Males[9]		Females[9]	
	Pension of £1 per annum	Lump sum of £1	Pension of £1 per annum	Lump sum of £1
16	5.94	0.32	5.94	0.32
17	6.07	0.32	6.07	0.32
18	6.19	0.33	6.19	0.33
19	6.32	0.34	6.32	0.34
20	6.46	0.35	6.46	0.35
21	6.59	0.36	6.59	0.36
22	6.73	0.36	6.73	0.36
23	6.87	0.37	6.87	0.37
24	7.01	0.38	7.01	0.38
25	7.16	0.39	7.16	0.39
26	7.31	0.40	7.31	0.40
27	7.47	0.41	7.47	0.41
28	7.62	0.42	7.62	0.42
29	7.78	0.43	7.78	0.43
30	7.95	0.44	7.95	0.44
31	8.11	0.45	8.11	0.45
32	8.28	0.46	8.28	0.46
33	8.46	0.47	8.46	0.47
34	8.64	0.49	8.64	0.49
35	8.82	0.50	8.82	0.50
36	9.01	0.51	9.01	0.51
37	9.20	0.52	9.20	0.52
38	9.40	0.53	9.40	0.53
39	9.60	0.55	9.60	0.55
40	9.80	0.56	9.80	0.56
41	10.01	0.57	10.01	0.57
42	10.23	0.59	10.23	0.59
43	10.45	0.60	10.45	0.60
44	10.68	0.62	10.68	0.62
45	10.91	0.63	10.91	0.63
46	11.15	0.64	11.15	0.64
47	11.40	0.66	11.40	0.66
48	11.65	0.68	11.65	0.68
49	11.91	0.69	11.91	0.69
50	12.17	0.71	12.17	0.71
51	12.45	0.73	12.45	0.73
52	12.73	0.74	12.73	0.74
53	13.02	0.76	13.02	0.76
54	13.32	0.78	13.32	0.78

[8] **Use the age of the ex-spouse or ex-civil partner, not the age of the member**
[9] **Use the gender of the ex spouse or ex-civil partner, not the gender of the member**

Police pension schemes (Scotland)
2006 Scheme – Transfer values and pension sharing on divorce
Factors and guidance

Table K_06 (Table 325 in consolidated factor spreadsheet): Factors for calculating the pension credit *continued*

Age last birthday at relevant date[10]	Males[11]		Females[11]	
	Pension of £1 per annum	Lump sum of £1	Pension of £1 per annum	Lump sum of £1
55	13.63	0.80	13.63	0.80
56	13.95	0.82	13.95	0.82
57	14.28	0.84	14.28	0.84
58	14.62	0.86	14.62	0.86
59	14.98	0.88	14.98	0.88
60	15.35	0.90	15.35	0.90
61	15.73	0.92	15.73	0.92
62	16.13	0.94	16.13	0.94
63	16.55	0.97	16.55	0.97
64	16.98	0.99	16.98	0.99
65	16.93	1.00	16.93	1.00
66	16.38	1.00	16.38	1.00
67	15.82	1.00	15.82	1.00
68	15.25	1.00	15.25	1.00
69	14.68	1.00	14.68	1.00
70	14.11	1.00	14.11	1.00
71	13.53	1.00	13.53	1.00
72	12.95	1.00	12.95	1.00
73	12.37	1.00	12.37	1.00
74	11.79	1.00	11.79	1.00
75	11.21	1.00	11.21	1.00
76	10.63	1.00	10.63	1.00
77	10.07	1.00	10.07	1.00
78	9.50	1.00	9.50	1.00
79	8.95	1.00	8.95	1.00
80	8.40	1.00	8.40	1.00
81	7.86	1.00	7.86	1.00
82	7.34	1.00	7.34	1.00
83	6.83	1.00	6.83	1.00
84	6.33	1.00	6.33	1.00
85	5.85	1.00	5.85	1.00
86	5.40	1.00	5.40	1.00
87	4.98	1.00	4.98	1.00
88	4.58	1.00	4.58	1.00
89	4.21	1.00	4.21	1.00
90	3.87	1.00	3.87	1.00
91	3.56	1.00	3.56	1.00
92	3.26	1.00	3.26	1.00
93	2.99	1.00	2.99	1.00
94	2.74	1.00	2.74	1.00

[10] Use the age of the ex-spouse or the ex-civil partner, not the age of the member
[11] Use the gender of the ex-spouse or ex-civil partner, not the gender of the member

Police pension schemes (Scotland)
2006 Scheme – Transfer values and pension sharing on divorce
Factors and guidance

Table Q1_06 (Table 326 in consolidated factor spreadsheet): Reduction to pension debit on retirement before age 65

Adjustment to pension – Males and Females

| | Age of member when benefits come into payment | | | | | | | | | | |
months	55	56	57	58	59	60	61	62	63	64	65
0	0.585	0.613	0.644	0.677	0.712	0.751	0.792	0.837	0.887	0.941	1.000
1	0.587	0.616	0.647	0.680	0.715	0.754	0.796	0.841	0.891	0.946	
2	0.590	0.618	0.649	0.683	0.719	0.757	0.800	0.846	0.896	0.951	
3	0.592	0.621	0.652	0.686	0.722	0.761	0.803	0.850	0.900	0.956	
4	0.594	0.623	0.655	0.689	0.725	0.764	0.807	0.854	0.905	0.960	
5	0.597	0.626	0.658	0.691	0.728	0.768	0.811	0.858	0.909	0.965	
6	0.599	0.629	0.660	0.694	0.731	0.771	0.815	0.862	0.914	0.970	
7	0.601	0.631	0.663	0.697	0.735	0.775	0.819	0.866	0.918	0.975	
8	0.604	0.634	0.666	0.700	0.738	0.778	0.822	0.870	0.923	0.980	
9	0.606	0.636	0.668	0.703	0.741	0.782	0.826	0.874	0.927	0.985	
10	0.609	0.639	0.671	0.706	0.744	0.785	0.830	0.879	0.932	0.990	
11	0.611	0.641	0.674	0.709	0.747	0.789	0.834	0.883	0.936	0.995	

Table Q2_06 (Table 327 in consolidated factor spreadsheet): Reduction to pension debit on retirement before age 65

Adjustment to lump sum – Males and Females

| | Age of member when benefits come into payment | | | | | | | | | | |
months	55	56	57	58	59	60	61	62	63	64	65
0	0.789	0.808	0.827	0.847	0.867	0.888	0.909	0.931	0.954	0.977	1.000
1	0.790	0.809	0.829	0.849	0.869	0.890	0.911	0.933	0.956	0.979	
2	0.792	0.811	0.830	0.850	0.871	0.892	0.913	0.935	0.957	0.980	
3	0.794	0.813	0.832	0.852	0.873	0.894	0.915	0.937	0.959	0.982	
4	0.795	0.814	0.834	0.854	0.874	0.895	0.917	0.939	0.961	0.984	
5	0.797	0.816	0.835	0.856	0.876	0.897	0.919	0.941	0.963	0.986	
6	0.798	0.817	0.837	0.857	0.878	0.899	0.920	0.942	0.965	0.988	
7	0.800	0.819	0.839	0.859	0.880	0.901	0.922	0.944	0.967	0.990	
8	0.801	0.821	0.840	0.861	0.881	0.902	0.924	0.946	0.969	0.992	
9	0.803	0.822	0.842	0.862	0.883	0.904	0.926	0.948	0.971	0.994	
10	0.805	0.824	0.844	0.864	0.885	0.906	0.928	0.950	0.973	0.996	
11	0.806	0.826	0.845	0.866	0.886	0.908	0.930	0.952	0.975	0.998	

Police pension schemes (Scotland)
2006 Scheme – Transfer values and pension sharing on divorce
Factors and guidance

Table R1_06 (Table 328 in consolidated factor spreadsheet): Reduction to pension debit on ill health retirement

Adjustment to pension – Males and Females

months	18	19	20	21	22	23	24
0	0.164	0.169	0.174	0.178	0.183	0.189	0.194
1	0.165	0.169	0.174	0.179	0.184	0.189	0.195
2	0.165	0.170	0.174	0.179	0.184	0.190	0.195
3	0.166	0.170	0.175	0.180	0.185	0.190	0.195
4	0.166	0.171	0.175	0.180	0.185	0.190	0.196
5	0.166	0.171	0.176	0.181	0.186	0.191	0.196
6	0.167	0.171	0.176	0.181	0.186	0.191	0.197
7	0.167	0.172	0.176	0.181	0.186	0.192	0.197
8	0.167	0.172	0.177	0.182	0.187	0.192	0.198
9	0.168	0.172	0.177	0.182	0.187	0.193	0.198
10	0.168	0.173	0.178	0.183	0.188	0.193	0.199
11	0.169	0.173	0.178	0.183	0.188	0.194	0.199

Age of member when benefits come into payment

months	25	26	27	28	29	30	31	32	33	34
0	0.200	0.205	0.212	0.218	0.224	0.231	0.238	0.246	0.254	0.262
1	0.200	0.206	0.212	0.218	0.225	0.232	0.239	0.246	0.254	0.262
2	0.201	0.206	0.213	0.219	0.226	0.232	0.240	0.247	0.255	0.263
3	0.201	0.207	0.213	0.219	0.226	0.233	0.240	0.248	0.256	0.264
4	0.202	0.208	0.214	0.220	0.227	0.234	0.241	0.248	0.256	0.264
5	0.202	0.208	0.214	0.221	0.227	0.234	0.241	0.249	0.257	0.265
6	0.203	0.209	0.215	0.221	0.228	0.235	0.242	0.250	0.258	0.266
7	0.203	0.209	0.215	0.222	0.228	0.235	0.243	0.250	0.258	0.267
8	0.204	0.210	0.216	0.222	0.229	0.236	0.243	0.251	0.259	0.267
9	0.204	0.210	0.216	0.223	0.230	0.237	0.244	0.252	0.260	0.268
10	0.205	0.211	0.217	0.223	0.230	0.237	0.245	0.252	0.260	0.269
11	0.205	0.211	0.217	0.224	0.231	0.238	0.245	0.253	0.261	0.269

Age of member when benefits come into payment

months	35	36	37	38	39	40	41	42	43	44
0	0.270	0.279	0.288	0.298	0.308	0.319	0.330	0.342	0.354	0.368
1	0.271	0.280	0.289	0.299	0.309	0.320	0.331	0.343	0.355	0.369
2	0.272	0.280	0.290	0.300	0.310	0.321	0.332	0.344	0.357	0.370
3	0.272	0.281	0.291	0.300	0.311	0.322	0.333	0.345	0.358	0.371
4	0.273	0.282	0.291	0.301	0.312	0.323	0.334	0.346	0.359	0.372
5	0.274	0.283	0.292	0.302	0.313	0.323	0.335	0.347	0.360	0.373
6	0.274	0.284	0.293	0.303	0.313	0.324	0.336	0.348	0.361	0.374
7	0.275	0.284	0.294	0.304	0.314	0.325	0.337	0.349	0.362	0.376
8	0.276	0.285	0.295	0.305	0.315	0.326	0.338	0.350	0.363	0.377
9	0.277	0.286	0.295	0.306	0.316	0.327	0.339	0.351	0.364	0.378
10	0.277	0.287	0.296	0.306	0.317	0.328	0.340	0.352	0.365	0.379
11	0.278	0.287	0.297	0.307	0.318	0.329	0.341	0.353	0.366	0.380

Police pension schemes (Scotland)
2006 Scheme – Transfer values and pension sharing on divorce
Factors and guidance

Table R1_06 (Table 328 in consolidated factor spreadsheet): Reduction to pension debit on ill health retirement *continued*

Adjustment to pension – Males and Females

	Age of member when benefits come into payment									
months	45	46	47	48	49	50	51	52	53	54
0	0.381	0.396	0.412	0.428	0.446	0.464	0.484	0.505	0.528	0.552
1	0.383	0.397	0.413	0.430	0.447	0.466	0.486	0.507	0.530	0.555
2	0.384	0.399	0.414	0.431	0.449	0.468	0.488	0.509	0.532	0.557
3	0.385	0.400	0.416	0.433	0.450	0.469	0.490	0.511	0.534	0.559
4	0.386	0.401	0.417	0.434	0.452	0.471	0.491	0.513	0.536	0.561
5	0.388	0.403	0.419	0.435	0.453	0.473	0.493	0.515	0.538	0.563
6	0.389	0.404	0.420	0.437	0.455	0.474	0.495	0.517	0.540	0.565
7	0.390	0.405	0.421	0.438	0.457	0.476	0.497	0.519	0.542	0.568
8	0.391	0.406	0.423	0.440	0.458	0.478	0.498	0.521	0.544	0.570
9	0.392	0.408	0.424	0.441	0.460	0.479	0.500	0.522	0.546	0.572
10	0.394	0.409	0.425	0.443	0.461	0.481	0.502	0.524	0.548	0.574
11	0.395	0.410	0.427	0.444	0.463	0.483	0.504	0.526	0.550	0.576

	Age of member when benefits come into payment									
months	55	56	57	58	59	60	61	62	63	64	65
0	0.579	0.607	0.637	0.670	0.705	0.744	0.786	0.832	0.883	0.938	1.000
1	0.581	0.609	0.640	0.673	0.708	0.747	0.790	0.836	0.887	0.944	0.000
2	0.583	0.612	0.642	0.676	0.712	0.751	0.794	0.840	0.892	0.949	0.000
3	0.586	0.614	0.645	0.679	0.715	0.754	0.797	0.845	0.897	0.954	0.000
4	0.588	0.617	0.648	0.682	0.718	0.758	0.801	0.849	0.901	0.959	0.000
5	0.590	0.619	0.651	0.685	0.721	0.761	0.805	0.853	0.906	0.964	0.000
6	0.593	0.622	0.653	0.687	0.725	0.765	0.809	0.857	0.911	0.969	0.000
7	0.595	0.624	0.656	0.690	0.728	0.768	0.813	0.862	0.915	0.974	0.000
8	0.597	0.627	0.659	0.693	0.731	0.772	0.817	0.866	0.920	0.979	0.000
9	0.600	0.629	0.662	0.696	0.734	0.775	0.821	0.870	0.924	0.985	0.000
10	0.602	0.632	0.664	0.699	0.737	0.779	0.824	0.874	0.929	0.990	0.000
11	0.604	0.634	0.667	0.702	0.741	0.782	0.828	0.878	0.934	0.995	0.000

Police pension schemes (Scotland)
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Table R2_06 (Table 329 in consolidated factor spreadsheet): Reduction to pension debit on ill health retirement

Adjustment to lump sum – Males and Females

months	Age of the member when benefits come into payment						
	18	19	20	21	22	23	24
0	0.328	0.336	0.344	0.352	0.361	0.369	0.378
1	0.329	0.337	0.345	0.353	0.361	0.370	0.379
2	0.329	0.337	0.345	0.354	0.362	0.371	0.380
3	0.330	0.338	0.346	0.354	0.363	0.372	0.380
4	0.331	0.339	0.347	0.355	0.364	0.372	0.381
5	0.331	0.339	0.347	0.356	0.364	0.373	0.382
6	0.332	0.340	0.348	0.356	0.365	0.374	0.383
7	0.333	0.341	0.349	0.357	0.366	0.374	0.383
8	0.333	0.341	0.349	0.358	0.366	0.375	0.384
9	0.334	0.342	0.350	0.359	0.367	0.376	0.385
10	0.335	0.343	0.351	0.359	0.368	0.377	0.386
11	0.335	0.343	0.352	0.360	0.369	0.377	0.387

months	Age of member when benefits come into payment									
	25	26	27	28	29	30	31	32	33	34
0	0.387	0.397	0.406	0.416	0.426	0.436	0.446	0.457	0.468	0.479
1	0.388	0.397	0.407	0.417	0.427	0.437	0.447	0.458	0.469	0.480
2	0.389	0.398	0.408	0.417	0.427	0.438	0.448	0.459	0.470	0.481
3	0.390	0.399	0.409	0.418	0.428	0.439	0.449	0.460	0.471	0.482
4	0.390	0.400	0.409	0.419	0.429	0.440	0.450	0.461	0.472	0.483
5	0.391	0.401	0.410	0.420	0.430	0.440	0.451	0.462	0.473	0.484
6	0.392	0.401	0.411	0.421	0.431	0.441	0.452	0.463	0.474	0.485
7	0.393	0.402	0.412	0.422	0.432	0.442	0.453	0.464	0.475	0.486
8	0.393	0.403	0.413	0.422	0.433	0.443	0.454	0.465	0.476	0.487
9	0.394	0.404	0.413	0.423	0.433	0.444	0.455	0.465	0.477	0.488
10	0.395	0.404	0.414	0.424	0.434	0.445	0.455	0.466	0.478	0.489
11	0.396	0.405	0.415	0.425	0.435	0.446	0.456	0.467	0.478	0.490

months	Age of member when benefits come into payment									
	35	36	37	38	39	40	41	42	43	44
0	0.491	0.503	0.515	0.527	0.540	0.553	0.566	0.580	0.593	0.608
1	0.492	0.504	0.516	0.528	0.541	0.554	0.567	0.581	0.595	0.609
2	0.493	0.505	0.517	0.529	0.542	0.555	0.568	0.582	0.596	0.610
3	0.494	0.506	0.518	0.530	0.543	0.556	0.569	0.583	0.597	0.611
4	0.495	0.507	0.519	0.531	0.544	0.557	0.571	0.584	0.598	0.613
5	0.496	0.508	0.520	0.532	0.545	0.558	0.572	0.585	0.599	0.614
6	0.497	0.509	0.521	0.533	0.546	0.559	0.573	0.587	0.601	0.615
7	0.498	0.510	0.522	0.534	0.547	0.560	0.574	0.588	0.602	0.616
8	0.499	0.511	0.523	0.536	0.548	0.562	0.575	0.589	0.603	0.617
9	0.500	0.512	0.524	0.537	0.549	0.563	0.576	0.590	0.604	0.619
10	0.501	0.513	0.525	0.538	0.551	0.564	0.577	0.591	0.605	0.620
11	0.334	0.347	0.360	0.374	0.388	0.403	0.418	0.435	0.451	0.469

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Table R2_06 (Table 329 in consolidated factor spreadsheet): Reduction to pension debit on ill health retirement *continued*

Adjustment to lump sum – Males and Females

months	Age of member when benefits come into payment									
	45	46	47	48	49	50	51	52	53	54
0	0.622	0.637	0.653	0.668	0.684	0.701	0.717	0.735	0.752	0.770
1	0.624	0.639	0.654	0.670	0.686	0.702	0.719	0.736	0.754	0.772
2	0.625	0.640	0.655	0.671	0.687	0.703	0.720	0.738	0.755	0.773
3	0.626	0.641	0.656	0.672	0.688	0.705	0.722	0.739	0.757	0.775
4	0.627	0.642	0.658	0.674	0.690	0.706	0.723	0.741	0.758	0.777
5	0.629	0.644	0.659	0.675	0.691	0.708	0.725	0.742	0.760	0.778
6	0.630	0.645	0.660	0.676	0.692	0.709	0.726	0.744	0.761	0.780
7	0.631	0.646	0.662	0.678	0.694	0.710	0.728	0.745	0.763	0.781
8	0.632	0.647	0.663	0.679	0.695	0.712	0.729	0.746	0.764	0.783
9	0.634	0.649	0.664	0.680	0.697	0.713	0.730	0.748	0.766	0.784
10	0.635	0.650	0.666	0.682	0.698	0.715	0.732	0.749	0.767	0.786
11	0.636	0.651	0.667	0.683	0.699	0.716	0.733	0.751	0.769	0.787

months	Age of member when benefits come into payment										
	55	56	57	58	59	60	61	62	63	64	65
0	0.789	0.808	0.827	0.847	0.867	0.888	0.909	0.931	0.954	0.977	1.000
1	0.790	0.809	0.829	0.849	0.869	0.890	0.911	0.933	0.956	0.979	0.000
2	0.792	0.811	0.830	0.850	0.871	0.892	0.913	0.935	0.957	0.980	0.000
3	0.794	0.813	0.832	0.852	0.873	0.894	0.915	0.937	0.959	0.982	0.000
4	0.795	0.814	0.834	0.854	0.874	0.895	0.917	0.939	0.961	0.984	0.000
5	0.797	0.816	0.835	0.856	0.876	0.897	0.919	0.941	0.963	0.986	0.000
6	0.798	0.817	0.837	0.857	0.878	0.899	0.920	0.942	0.965	0.988	0.000
7	0.800	0.819	0.839	0.859	0.880	0.901	0.922	0.944	0.967	0.990	0.000
8	0.801	0.821	0.840	0.861	0.881	0.902	0.924	0.946	0.969	0.992	0.000
9	0.803	0.822	0.842	0.862	0.883	0.904	0.926	0.948	0.971	0.994	0.000
10	0.805	0.824	0.844	0.864	0.885	0.906	0.928	0.950	0.973	0.996	0.000
11	0.806	0.826	0.845	0.866	0.886	0.908	0.930	0.952	0.975	0.998	0.000

Police pension schemes (Scotland)
2006 Scheme – Transfer values and pension sharing on divorce
Factors and guidance

Appendix B: Assumptions underlying factors

Financial assumptions

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

Mortality assumptions

Members in normal health	117% of S2NMA (males) and 117% of S2NFA (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

Police pension schemes (Scotland)
2006 Scheme – Transfer values and pension sharing on divorce
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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 cash equivalent transfer value, pension credit and debit adjustment 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 cash equivalent transfer value, pension credit and debit adjustment 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 SPPA and GAD. Under no circumstances should this guidance take precedence over the Regulations. Administrators should ensure that they comply with all relevant Regulations.