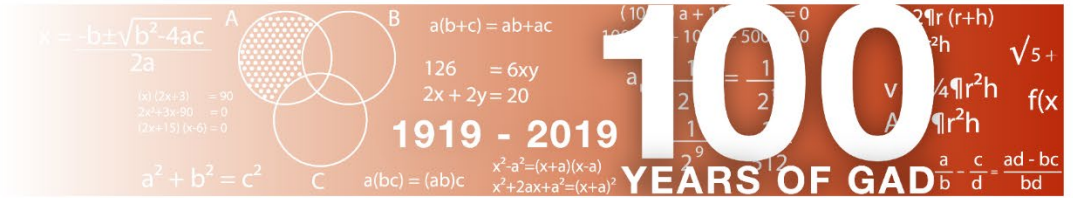




Government  
Actuary's  
Department



# **National Health Service Pension Scheme (Scotland)**

## **Compulsory early retirement**

### **Factors and guidance**

Date: 25 October 2019





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## 1 Introduction

- 1.1 This Note is provided for the use of the Scottish Public Pensions Agency ('SPPA') as administrator of the National Health Service Pension Scheme (Scotland) ("NHSPS Scotland"). It sets out how to determine the contribution to be paid by employers for enhanced benefits on compulsory early retirement.
- 1.2 The factors provided in this Note have been prepared in light of our advice to the SPPA dated 30 October 2018 and its instructions following that advice.
- 1.3 This guidance is intended to supersede any factors or advice previously issued for the purposes of compulsory early retirement calculations. In particular this guidance supersedes:
- “National Health Service Superannuation Scheme for Scotland: Compulsory early retirement - Factors and guidance” dated 27 March 2015.
- We do not expect that factors issued in the past should be used for future cases from 29 October 2018.
- 1.4 No advice or factors issued for the NHS Pension Scheme (Scotland) 2015 ("NHSPSS 2015") should be used for compulsory early retirement calculations for members with benefits only in the NHSPS Scotland.
- 1.5 Where members have benefits in both the NHSPS Scotland and NHSPSS 2015 please refer to section 4.
- 1.6 The Regulations to which this document relates, and the corresponding factors provided, are as follows in the table below. Note the 2015 Transitional Regulations<sup>1</sup> (32-34) cover the provisions for transitional members (i.e. members with entitlement to benefit from both the NHSPS Scotland and NHSPSS 2015).

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<sup>1</sup> The National Health Service Pension Scheme (Transitional and Consequential Provisions) (Scotland) Regulations 2015 (SSI 2015/95)



| Factor Table Number   | Statutory Reference  |
|---|--|
| <p><b>CER1 (Table 801 in consolidated factors spreadsheet)</b></p> <ul style="list-style-type: none"> <li>• pension up to Normal Pension Age (NPA)</li> <li>• NPA 55 1995 section</li> </ul> <p><b>CER2 (Table 802 in consolidated factors spreadsheet)</b></p> <ul style="list-style-type: none"> <li>• enhancement payments after NPA</li> <li>• NPA 55 1995 section</li> <li>• capitalisation of quarterly contributions</li> </ul> <p><b>CER3 (Table 803 in consolidated factors spreadsheet)</b></p> <ul style="list-style-type: none"> <li>• early payment of lump sum</li> <li>• NPA 55 1995 section</li> </ul> <p><b>CER4 (Table 804 in consolidated factors spreadsheet)</b></p> <ul style="list-style-type: none"> <li>• payments up to NPA</li> <li>• NPA 60 1995 section</li> </ul> <p><b>CER5 (Table 805 in consolidated factors spreadsheet)</b></p> <ul style="list-style-type: none"> <li>• enhancement payments after NPA</li> <li>• NPA 60 1995 section</li> <li>• capitalisation of quarterly contributions</li> </ul> <p><b>CER6 (Table 806 in consolidated factors spreadsheet)</b></p> <ul style="list-style-type: none"> <li>• early payment of lump sum</li> <li>• NPA 60 1995 section</li> </ul> | <p><b>SSI 2011/117 D2</b><br/>Contributions and other payments by employing authorities [<i>members becoming entitled to benefits under regulations E6 (early retirement pension (redundancy etc)) or E7 (early retirement pension (redundancy etc new starters and post-transition))</i>]</p> |
| <p><b>CER7 (Table 807 in consolidated factors spreadsheet)</b></p> <ul style="list-style-type: none"> <li>• payments up to NPA</li> <li>• NPA 65 2008 section</li> </ul> <p><b>CER8 (Table 808 in consolidated factors spreadsheet)</b></p> <ul style="list-style-type: none"> <li>• early payment of mandatory lump sum</li> <li>• NPA 65 2008 section (Choice Optants)</li> </ul>   | <p><b>SSI 2013/174 2.C.6</b><br/>Contributions by employing authorities [<i>members becoming entitled to pensions under regulation 2.D.11 (early retirements on termination of employment by employing authority)</i>]</p>   |



|  |   |
|--|---|
| <p><b>CER9 (Table 809 in consolidated factors spreadsheet)</b></p> <ul style="list-style-type: none"> <li>• employer costs due to deferred PI</li> <li>• NPA 55 1995 section (members with previously deferred benefits)</li> </ul> <p><b>CER10 (Table 1-810A and 1-810B in consolidated factors spreadsheet)</b></p> <ul style="list-style-type: none"> <li>• employer costs due to deferred PI</li> <li>• NPA 60 1995 section (members with previously deferred benefits)</li> </ul> <p><b>CER11 (Table 811 in consolidated factors spreadsheet)</b></p> <ul style="list-style-type: none"> <li>• immediately increasing pension payments up to NPA</li> <li>• NPA 55 1995 section (members with at least one dependent child)</li> </ul> <p><b>CER12 (Table 812 in consolidated factors spreadsheet)</b></p> <ul style="list-style-type: none"> <li>• immediately increasing pension payments up to NPA</li> <li>• NPA 60 1995 section (members with at least one dependent child)</li> </ul> | <p><b>SSI 2011/117 D2</b></p> <p>Contributions and other payments by employing authorities [<i>members becoming entitled to benefits under regulations E6 (early retirement pension (Redundancy etc)) or E7 (early retirement pension (Redundancy etc new starters and post-transition))</i>]</p> |
|--|---|

1.7 Service enhancements ceased in 2011 and so the factors provided in CER2 and CER5 are only required for historic cases where an Employing Authority wishes to settle payments made by quarterly billing.

1.8 The assumptions underlying the factors in Appendix B are covered in Appendix A and some important limitations can be found in Appendix C.

### Implementation

1.9 As agreed the factors contained in this note should be used with effect from 29 October 2018

1.10 This guidance has been written for pension administrators and assumes some knowledge of general pension terminology, and some familiarity with retirement calculations for the NHS Pension Scheme Scotland. Any questions concerning the application of the guidance should, in the first instance, be referred to SPPA.

1.11 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.



- 1.12 The factors contained in this guidance will be subject to review periodically. This will depend on external circumstances, for example whenever there is a change in the SCAPE basis; when changes in the actuarial assumptions adopted for other scheme factors take place; or following each future actuarial valuation where mortality and other relevant experience is reviewed or if other credible and material information comes to light.

### **Third party reliance**

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



## 2 Compulsory Early Retirement - 1995 section members

- 2.1 This section refers to employer contributions payable by employing authorities under Regulation SSI 2011/117 D2 (5), where a pension becomes payable to a member under Regulations SSI 2011/117 E6 (early retirement (redundancy etc)) or E7 (early retirement pension (redundancy etc new starters and post-transition)).
- 2.2 The contributions payable by employing authorities where a pension becomes payable to a member under Regulations E6 or E7 are determined by applying the appropriate factor to the accrued benefit entitlement(s) at the date of retirement using the formula below and factors in Appendix B. This determines the cost of paying unreduced benefits on retirement.
- 2.3 The factors allow for the fact that Pension Increases (PI) are not payable until age 55 and therefore no adjustments are needed at age 55 other than addition of accrued PI.
- 2.4 Where a member is made redundant before age 55 and some or all of their benefits have an earlier "beginning date" for PI purposes, the factors should be applied to the benefits payable at retirement that is without any allowance for the deferred PI. An additional cost in respect of the deferred PI should be calculated as described in Section 5 of this Note.
- 2.5 Where a member is made redundant before age 55 and they have at least one dependent child, increases are payable immediately to that part of the pension benefit accrued before 1 January 1993 (female members) or that part of their benefit accrued between 17 May 1990 and 31 December 1992 inclusive (male members)<sup>2</sup>. Different factors which allow for PI payable immediately are required for this part of the pension and are included in this Note.
- 2.6 Section 4 covers transitional members i.e. those with benefit entitlement from both the NHSPS Scotland and NHSPSS 2015. On redundancy before age 55 only benefits from the 1995 section of the NHSPS Scotland are available. No further accrual in the NHSPSS 2015 is permitted if NHSSS benefits become payable in these circumstances.
- 2.7 Worked examples are provided in Section 7 of this Note.

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<sup>2</sup> In accordance with Pensions Increase Act (1971) 3 (2)(c)



### **Employer costs on compulsory early retirement for a 1995 section member (NPA 55)**

#### 2.8 Cost due to pension

= Costs of basic and enhancement pension payments up to age 55  
+ costs of service enhancement pension payments after age 55

Where

- Employer costs of basic and enhancement pension payments up to age 55  
= (Scheme pension + extra pension from service enhancement) x Factor CER1
- Employer costs of service enhancement pension payments after age 55  
= Extra pension from service enhancement x Factor CER2

#### 2.9 Cost due to lump sum

= Costs of early payment of the basic lump sum  
+ additional lump sum from service enhancement

Where

- Employer costs of early payment of the basic lump sum  
= Basic lump sum x Factor CER3

### **Employer costs on compulsory early retirement for a 1995 section member (NPA 60)**

#### 2.10 Cost due to pension

= Costs of basic and enhancement pension payments up to age 60  
+ costs of service enhancement pension payments after age 60

Where

- Cost of basic and enhancement pension payments up to age 60  
= (Scheme pension + extra pension from service enhancement) x Factor CER4
- Cost of extra membership pension payments after age 60  
= Extra pension from service enhancement x Factor CER5

#### 2.11 Cost due to lump sum

= Costs of early payment of the basic lump sum  
+ additional lump sum from service enhancement

Where

- Cost of early payment of the basic lump sum  
= Basic lump sum x Factor CER6





### **Employer costs on compulsory early retirement for a 1995 section (NPA 55) member under age 55 with at least one dependent child**

#### 2.12 Cost due to pension

= Costs of basic and enhancement pension payments up to age 55 on service from 1 January 1993 for female members and service before 17 May 1990 and after 31 December 1992 for male members

+ costs of basic and enhancement pension payments up to age 55 on service before 1 January 1993 for female members and service between 17 May 1990 and 31 December 1992 inclusive for male members

+ costs of service enhancement pension payments after age 55

Where

- Cost of basic and enhancement pension payments up to age 55 on service from 1 January 1993 for female members and service before 17 May 1990 and after 31 December 1992 for male members

= (applicable scheme pension + extra pension from service enhancement) x Factor CER1

- Cost of basic and enhancement pension payments up to age 55 on service before 1 January 1993 for female members and service between 17 May 1990 and 31 December 1992 inclusive for male members

= (applicable scheme pension) x Factor CER11

- Cost of extra membership pension payments after age 55

= Extra pension from service enhancement x Factor CER2

#### 2.13 Cost due to lump sum

= Costs of early payment of the basic lump sum

+ additional lump sum from service enhancement

Where

- Cost of early payment of the basic lump sum

= Basic lump sum x Factor CER3



**Employer costs on compulsory early retirement for a 1995 section (NPA 60) member under age 55 with at least one dependent child**

2.14 Cost due to pension

= Costs of basic and enhancement pension payments up to age 60 on service from 1 January 1993 for female members and service before 17 May 1990 and after 31 December 1992 for male members

+ costs of basic and enhancement pension payments up to age 60 on service before 1 January 1993 for female members and service between 17 May 1990 and 31 December 1992 inclusive for male members

+ costs of service enhancement pension payments after age 60

Where

- Cost of basic and enhancement pension payments up to age 60 on service from 1 January 1993 for female members and service before 17 May 1990 and after 31 December 1992 for male members

= (applicable scheme pension + extra pension from service enhancement) x Factor CER4

- Cost of basic and enhancement pension payments up to age 60 on service before 1 January 1993 for female members and service between 17 May 1990 and 31 December 1992 inclusive for male members

= (applicable scheme pension) x Factor CER12

- Cost of extra membership pension payments after age 60

= Extra pension from service enhancement x Factor CER5

2.15 Cost due to lump sum

= Costs of early payment of the basic lump sum

+ additional lump sum from service enhancement

Where

- Cost of early payment of the basic lump sum

= Basic lump sum x Factor CER6

2.16 Points to note in using the factors:

- The basic pension/lump sum used in the calculation should include any transferred-in service but exclude any added years (AY) or additional pension (AP)
- Main scheme pension/scheme lump sum refers to the unreduced amounts of benefit which would be payable if no actuarial adjustment is to be applied. And should be consistent with the basic pension/lump sum as above (i.e. exclude any AY or AP)



- Service enhancements are no longer provided and thus should only be used in the formulae above where an Employing Authority is settling payments by quarterly billing.
- The calculation above is for a single contribution payment. See Section 6 of this Note for how to spread this as instalments
- Where a member has any deferred PI, the costs due to the lump sum should be adjusted. For NPA 55 members this adjustment is the amount calculated in paragraph 5.6 and represents a saving on the costs charged to the employer. For NPA 60 members additional costs are due as calculated in paragraph 5.8.
- The overall calculated cost to the employer due to the lump sum is subject to a minimum of £0
- Factors should be applied to pensions before any allowance for commutation
- Factors should be based on a members age in years and complete months

### **Eligibility for compulsory early retirement pension**

- 2.17 Compulsory early retirement is not allowed if the pension payable will be less than the member's guaranteed minimum pension (GMP) at GMP payment age (65 for males and 60 for females)<sup>3</sup>. The following test should be applied to check whether a member is eligible for compulsory early retirement.
- 2.18 The GMP must be covered by the reduced value of the pension after a member has exercised any commutation option (and therefore also after any pension debits due to divorce or Scheme Pays have been applied). It may be therefore that compulsory early retirement is permitted but only if no or a restricted amount of pension is commuted.
- 2.19 The GMP test is set out below:

#### *Step 1 – eligibility for compulsory early retirement*

- Calculate what the member's compulsory early retirement pension (**A**) would be, excluding any Added Years but including any transferred-in service (and before any commutation option):
- Take revalued annual GMP at date of retirement (allowing for the better of male and female GMP following equalisation) and add 2.20% for each complete year to GMP payment age:

$$\mathbf{B} = \text{Revalued GMP at retirement date} \times [1 + 2.20\% \times (\text{period to date GMP payable})]$$

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<sup>3</sup> See regulation E7(4A) inserted by regulation 8 of The National Health Service Superannuation Scheme (Miscellaneous Amendments) (Scotland) Regulations 2015 (SSI 2015/96)



- Check whether A is greater than B. If yes, the member is eligible for compulsory early retirement at the relevant age. Otherwise, compulsory early retirement at the relevant age is not permitted.

*Step 2 – scope for commutation*

- Apply the commutation factor to the additional lump sum required and calculate the residual pension:

$$C = \text{Total pension} * (\mathbf{A}) - (\text{additional lump sum} \div 12)$$

*\*after application of ERF if applicable*

- Check whether C is greater than B. If yes, the member is eligible to benefit C, i.e. commutation up to the relevant additional lump sum.
- Otherwise the member is only permitted to exchange a smaller proportion of pension for a lump sum of up to  $12 \times (A - B)$ , with corresponding reduction in pension of  $(A - B)$ .



### 3 Compulsory Early Retirement - 2008 section members

- 3.1 This Section refers to employer contributions payable by employing authorities under Regulation SSI 2013/174 2.C.6, where a pension becomes payable to a member under Regulation SSI 2013/174 2.D.11 (early retirement on termination of employment by employing authority).
- 3.2 The contributions payable by employing authorities where a pension becomes payable to a member under Regulations 2.D.11 are determined by applying the appropriate factor to the accrued benefit entitlement(s) at the date of retirement using the formula below and factors in Appendix B. This determines the cost of paying unreduced benefits on retirement.
- 3.3 Section 4 covers transitional members i.e. those with benefit entitlement from both the NHSPS Scotland and NHSPSS 2015. Unlike 1995 section benefits further accrual in the NHSPSS 2015 is permitted in most cases if 2008 section NHSPS Scotland benefits become payable under the redundancy provisions.
- 3.4 Worked examples are provided in Section 7 of this Note.

#### Employer costs on compulsory early retirement for a 2008 section member (NPA 65)

Not Choice Optant:

- 3.5 Cost of basic pension payments up to age 65  
= Main scheme pension x Factor CER7

Choice Optant:

- 3.6 Total cost = The cost of unreduced pension  
+ the cost of early payment of lump sum

where:

- The cost of unreduced pension =  
Main scheme pension (after allowance for commutation of mandatory lump sum x Factor CER7
- The cost of early payment of lump sum = Mandatory lump sum x Factor CER8



3.7 Points to note in using the factors:

- The basic pension/lump sum used in the calculation should include any transferred-in service but exclude any additional pension (AP)
- Main scheme pension/mandatory lump sum refers to the unreduced amounts of benefit which would be payable if no actuarial adjustment is to be applied. And should be consistent with the basic pension/lump sum as above (i.e. exclude any AP)
- The calculation above is for a single contribution payment. See Section 6 of this Note for how to spread this as instalments
- Factors should be applied to pensions before any allowance for commutation except for Choice optants
- The approach is based on GAD's understanding that the mandatory lump sum is not reduced for payment before age 60 on compulsory early retirement

**Eligibility for compulsory early retirement pension**

3.8 Compulsory early retirement is not allowed if the pension payable will be less than the member's guaranteed minimum pension (GMP) at GMP payment age (65 for males and 60 for females)<sup>4</sup>. The following test should be applied to check whether a member is eligible for compulsory early retirement.

3.9 The GMP must be covered by the reduced value of the pension after a member has exercised any commutation option (and therefore also after any pension debits due to divorce or Scheme Pays have been applied). It may be therefore that compulsory early retirement is permitted but only if no or a restricted amount of pension is commuted.

3.10 The GMP test is set out below:

*Step 1 – eligibility for compulsory early retirement*

- Calculate what the member's compulsory early retirement pension (**A**) would be, excluding any Added Years but including any transferred-in service (and before any commutation option):
- Take revalued annual GMP at date of retirement (allowing for the better of male and female GMP following equalisation) and add 2.20% for each complete year to GMP payment age:

**B** = Revalued GMP at retirement date × [1 + 2.20% × (period to date GMP payable)]

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<sup>4</sup> See regulation 2.D.11(3A) inserted by regulation 29 of The National Health Service Superannuation Scheme (Miscellaneous Amendments) (Scotland) Regulations 2015 (SSI 2015/96)



- Check whether A is greater than B. If yes, the member is eligible for compulsory early retirement at the relevant age. Otherwise, compulsory early retirement at the relevant age is not permitted.

*Step 2 – scope for commutation*

- Apply the commutation factor to the lump sum required and calculate the residual pension:

$$C = \text{Total pension} * (\mathbf{A}) - (\text{additional lump sum} \div 12)$$

*\*after application of ERF if applicable*

- Check whether C is greater than B. If yes, the member is eligible to benefit C, i.e. commutation up to the relevant lump sum.
- Otherwise the member is only permitted to exchange a smaller proportion of pension for a lump sum of up to  $12 \times (A - B)$ , with corresponding reduction in pension of  $(A - B)$ .



## **4 Members with benefits in both the NHSPSS 2015 and the NHSSS**

- 4.1 For transitional members i.e. those with benefit entitlement from both the NHSPS Scotland and NHSPSS 2015, on redundancy before age 55 only benefits from the 1995 section of the NHSPS Scotland are available.
- 4.2 No further accrual in the NHSPSS 2015 is permitted if 1995 section NHSPS Scotland benefits become payable in these circumstances. This is covered in the Transitional Regulations.
- 4.3 Where members have benefits in both schemes, if employers are to meet the costs of unreduced benefits on compulsory early retirement, costs are determined as the sum of the costs calculated separately for both schemes as covered by this guidance and the equivalent guidance for the NHSPSS 2015.





## 5 Adjustments required where members have deferred PI

- 5.1 In certain situations members may have some or all of their benefits with an earlier “beginning date” for PI purposes than the actual date of retirement. For example, this may occur due to periods of service with pay protection.
- 5.2 Where members retire in these circumstances before age 55 an adjustment needs to be calculated in respect of the deferred pension increases which cannot be paid until age 55 under the Pensions (Increase) Acts.
- 5.3 The PI adjustment should be calculated by applying the relevant factor in Appendix B to the amount of deferred PI as at the date of retirement. For NPA 55 members this should be deducted from the costs calculated as described in Section 2 of this Note and for NPA 60 members it should be added to the costs calculated as described in Section 2 of this Note.
- 5.4 In some cases, the full deferred PI due may not be known at the date of calculation (as some PI may be due when tables are published for the following year). For practical reasons only the deferred PI up to the April prior to the date of calculation should be included within these calculations, i.e. any part year PI is not to be included.

### Employer costs for deferred PI on compulsory early retirement for a 1995 section member (NPA 55)

- 5.5 Adjustment due to deferred PI
- = Amount of deferred PI on lump sum x Factor CER9
- 5.6 Points to note in using factors:
- This calculation produces a saving which should be used to adjust the additional costs for the early payment of the lump sum ignoring deferred PI calculated as described in paragraph 2.8 and 2.9 of this Note. (This is different from the deferred PI adjustment for NPA 60 members, which represents an increase in the charge to employers).
  - Factor CER9 should be based on a members age in years and complete months



### **Employer costs for deferred PI on compulsory early retirement for a 1995 section member (NPA 60)**

#### 5.7 Additional cost due to deferred PI

= Cost of deferred PI on pension payments from age 55 up to age 60

+ Cost of deferred PI on lump sum at age 55

where:

- Cost of deferred PI pension payments from age 55 up to age 60  
= Amount of deferred PI on pension at date of retirement x Pension Factor CER10
- Cost of deferred PI on lump sum at age 55  
= Amount of deferred PI on lump sum x Lump Sum Factor CER10

#### 5.8 Points to note in using factors:

- The calculation above is for a single contribution payment. See Section 6 of this Note for how to spread this as instalments
- This cost is in addition to the normal costs calculated as described in Section 2 of this Note.
- The additional costs calculated above should therefore be added to the costs calculated in paragraphs 2.10 and 2.11 of this Note. This is different from the deferred PI adjustment for NPA 55 members, which represents a reduction in the charge to employers.
- Factor CER10 should be based on a members age in years and complete months



## 6 Payment options: spreading costs or capitalisation after redundancy

- 6.1 Regulations SSI 2011/117 D2(7)(b), D2(7A) and SSI 2013/174 2.C.6(4) allow for employer costs to be paid as a single payment made within one month of the date on which the pensions became payable or, if Scottish Ministers agree, by not more than 5 equal annual instalments, the first of which is to be paid within one month of the date on which the pensions became payable and the others by 31 October in each of the following 4 financial/scheme years.

### Spreading costs over five annual instalments

- 6.2 The formulae in the other Sections of this Note and the factors provided in the Appendix to this Note are to calculate the single lump sum payment due. However, the single lump sum amount can be converted to 5 annual instalments using the following factor:

$$\text{Each annual instalment} = \text{Total single capitalised employer cost} \times 0.220$$

### Capitalising quarterly payments

- 6.3 In certain cases, the Employing Authority may have chosen to make ongoing quarterly payments to cover the cost of a member's service enhancement on redundancy. This only applies to members of the 1995 section.
- 6.4 Regulation SSI 2011/117 D2(8) allow an Employing Authority making quarterly contributions to capitalise its future payments into a single payment (or up to 5 annual payments) at any time whilst the redundancy benefits are in payment. Factors are provided in table CER2 and CER5 for this purpose but are only applicable for redundancies that occurred before October 2011.
- 6.5 The member's pension due to any enhancement at the date of capitalisation should be multiplied by the relevant factor for their age at capitalisation to calculate the single payment payable. Paragraph 6.2 above can be used to split this payment into 5 annual payments if required.
- 6.6 If an Employing Authority wishes to capitalise costs after the point of redundancy where the member retired after October 2011, please request factors from GAD.



## 7 Examples

- 7.1 This Section sets out a number of worked examples to help with the use of the factors. The examples covered are as follows:
- A. Compulsory early retirement of a 1995 section member
  - B. Compulsory early retirement of a 2008 section member
  - C. Compulsory early retirement of a Choice Optant
  - D. Compulsory early retirement of a 1995 section member with pay protection for earlier periods of service (NPA 60)
  - E. Compulsory early retirement of a 1995 section female member under age 55 with at least one dependent child and service accrued before 1 January 1993 (NPA 55)
- 7.2 These examples are only meant to illustrate the use of the factors and may not represent actual possible scenarios.



**A. Compulsory early retirement of a 1995 section member**

**Individual Data**

|                                   |                      |
|-----------------------------------|----------------------|
| Section                           | 1995                 |
| Normal pension age                | 60                   |
| Date of birth                     | 1 June 1967          |
| Date of redundancy                | 1 July 2019          |
| Pensionable service               | 20 years             |
| Age at redundancy                 | 52 years and 1 month |
| Main scheme pension at retirement | £5,000 pa            |
| Lump sum at retirement            | £15,000              |

**Factors at age 52 years and 1 month**

|      |       |
|------|-------|
| CER4 | 7.051 |
| CER6 | 0.170 |

**Employer cost for compulsory early retirement**

- a. Cost of unreduced pension  
= Main scheme pension x Factor CER4  
= £5,000.00 x 7.051  
= £35,255.00
- b. Cost of early payment of lump sum  
= Scheme lump sum x Factor CER6  
= £15,000.00 x 0.170  
= £2,550.00

Total cost = £35,255.00 + £2,550.00 = **£37,805.00**



## **B. Compulsory early retirement of a 2008 section member**

### **Individual Data**

|                                       |                       |
|---------------------------------------|-----------------------|
| Section                               | 2008                  |
| Normal pension age                    | 65                    |
| Date of birth                         | 1 April 1960          |
| Date of redundancy                    | 1 July 2020           |
| Pensionable service                   | 3 years               |
| Age at redundancy                     | 60 years and 3 months |
| Pre commutation pension at retirement | £2,000 pa             |

### **Factors at age 60 years and 3 months**

|      |       |
|------|-------|
| CER7 | 4.415 |
|------|-------|

### **Employer cost for compulsory early retirement**

- a. Cost of pre-commutation pension payments up to age 65  
= Main scheme pre commutation pension x Factor CER7  
= £2,000.00 x 4.415  
= £8,830.00

Total cost = **£8,830.00**



### **C. Compulsory early retirement of a Choice Optant**

#### **Individual Data**

|  |                       |
|--|-----------------------|
| Section                                | 2008 (Choice Optant)  |
| Normal pension age                     | 65                    |
| Date of birth                          | 1 April 1963          |
| Date of redundancy                     | 1 July 2020           |
| Pensionable service                    | 22 years and 6 months |
| Age at redundancy                      | 57 years and 3 months |
| Main scheme pension at retirement      | £9,000 pa             |
| Mandatory lump sum (MLS) at retirement | £11,025               |
| Post commutation (for MLS) pension     | £8,081.25 pa          |

#### **Factors at age 57 years and 3 months**

|      |       |
|------|-------|
| CER7 | 6.970 |
| CER8 | 0.167 |

#### **Employer cost for compulsory early retirement**

- a. Cost of basic pension payments up to age 65
  - = Main scheme post commutation (for MLS) pension x Factor CER7
  - = £8,081.25 x 6.970
  - = £56,326.31
  
- b. Cost of the early payment of the mandatory lump sum
  - = Mandatory lump sum x Factor CER8
  - = £11,025.00 x 0.167
  - = £1,841.18

Total cost = £56,326.31 + £1,841.18 = **£58,167.49**



**D. Compulsory early retirement of a 1995 section member with pay protection for earlier periods of service (NPA 60)**

**Individual Data**

|  |                   |
|--|-------------------|
| Section  | 1995              |
| Normal pension age   | 60                |
| Date of birth  | 1 June 1969       |
| Date of redundancy (DOR)                                       | 1 July 2020       |
| Age at redundancy  | 51 years 1 month  |
| Years leaving early  | 8 years 11 months |
| Total pensionable service                                      | 20 years          |
| Pensionable service with pay protection                        | 4 years           |
| Pension at retirement for service without pay protection       | £5,000 pa         |
| Pension at retirement for service with pay protection          | £794 pa           |
| Lump Sum at retirement for service without pay protection      | £15,000           |
| Lump Sum at retirement for service with pay protection         | £2,382            |
| PI factor for period from date of pay protection to retirement | 1.10              |

**Factors at age 51 years and 1 month**

|                         |       |
|-------------------------|-------|
| CER4                    | 7.801 |
| CER6                    | 0.190 |
| CER10 (Pension factor)  | 4.245 |
| CER10 (Lump sum factor) | 0.044 |

**Employer cost for compulsory early retirement**

- a) Costs of basic (and extra membership) pension payments up to age 60  
= (Scheme pension for service without pay protection + pension for service with pay protection (without deferred PI)) x Factor CER4  
= (£5,000.00 + £794.00) x 7.801  
= £45,198.99
- b) Costs of the early payment of the basic lump sum  
= (Lump sum for service without pay protection + lump sum for service with pay protection (without deferred PI)) x Factor CER6  
= (£15,000.00 + £2,382.00) x 0.190  
= £3,302.58
- c) Costs of deferred PI on pension after age 55  
= Deferred PI due on pension as at date of retirement x Factor CER10  
= (£794.00 x (1.10 – 1.00)) x 4.245  
= £337.05
- d) Costs of deferred PI due on lump sum at age 55  
= Deferred PI due on lump sum x Factor CER10  
= £2,382.00 x (1.10 – 1.00) x 0.044  
= £10.48

Total cost = £45,198.99 + £3,302.58 + £337.05 + £10.48 = **£48,849.10**





**E. Compulsory early retirement of a 1995 section female member under age 55 with at least one dependant child and service accrued before 1 January 1993 (NPA 55)**

**Individual Data**

|                                       |                       |
|---------------------------------------|-----------------------|
| Section                               | 1995                  |
| Normal pension age                    | 55                    |
| Date of birth                         | 1 June 1968           |
| Date of redundancy                    | 1 July 2019           |
| Age at redundancy                     | 51 years and 1 months |
| Service accrued before 1 January 1993 | 3 years               |
| Service accrued from 1 January 1993   | 19 years              |
| Pension accrued before 1 January 1993 | £750 pa               |
| Pension accrued from 1 January 1993   | £4,750 pa             |
| Total basic Lump Sum at retirement    | £16,500               |

**Factors at age 51 years and 1 months**

|       |       |
|-------|-------|
| CER1  | 3.552 |
| CER3  | 0.088 |
| CER11 | 3.701 |

**Employer costs for compulsory early retirement**

- a) Costs of pension payments up to age 55 on service from 1 January 1993  
= Pension accrued from 1 January 1993 x Factor CER1  
= £4,750.00 x 3.552  
= £16,872.00
- b) Costs of pension payments up to age 55 on service before 1 January 1993  
= (Pension accrued before 1 January 1993) x Factor CER11  
= £750.00 x 3.701  
= £2,775.75
- c) Cost due to lump sum  
= Lump Sum x CER3  
= £16,500.00 x 0.088  
= £1,452.00

Total costs due to pension payments = £19,647.75

Total costs due to lump sum payments = £1,452.00

Total cost = £19,647.75 + £1,452.00 = **£21,099.75**



## Appendix A: 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

|                                      |   |
|--------------------------------------|---|
| Base mortality tables: normal health | Males: 95.5% of S2NMA<br>Female: 97.5% of S2NFA<br>(As per 2016 valuation.) |
| Future mortality improvement         | Based on ONS principal UK population projections 2016                       |
| Year of Use                          | 2020  |

### Other assumptions

| Proportion of male members for unisex factors | 1/3 male members (reducing to zero for factors used to commute trivial dependant pension).  |         |       |         |    |      |      |    |      |      |    |      |      |    |      |      |    |      |      |
|---|---|---------|-------|---------|----|------|------|----|------|------|----|------|------|----|------|------|----|------|------|
| Age difference between member and partner     | Male member 3 years older than partner and female 3 years younger than partner.   |         |       |         |    |      |      |    |      |      |    |      |      |    |      |      |    |      |      |
| Proportions partnered                         | Age and sex dependent rates of proportions married or partnered at death. Sample rates for active members <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Age</th> <th>Males</th> <th>Females</th> </tr> </thead> <tbody> <tr> <td>50</td> <td>0.76</td> <td>0.54</td> </tr> <tr> <td>60</td> <td>0.76</td> <td>0.54</td> </tr> <tr> <td>70</td> <td>0.74</td> <td>0.46</td> </tr> <tr> <td>80</td> <td>0.61</td> <td>0.23</td> </tr> <tr> <td>90</td> <td>0.34</td> <td>0.07</td> </tr> </tbody> </table> | Age     | Males | Females | 50 | 0.76 | 0.54 | 60 | 0.76 | 0.54 | 70 | 0.74 | 0.46 | 80 | 0.61 | 0.23 | 90 | 0.34 | 0.07 |
| Age   | Males   | Females |       |         |    |      |      |    |      |      |    |      |      |    |      |      |    |      |      |
| 50  | 0.76  | 0.54    |       |         |    |      |      |    |      |      |    |      |      |    |      |      |    |      |      |
| 60  | 0.76  | 0.54    |       |         |    |      |      |    |      |      |    |      |      |    |      |      |    |      |      |
| 70  | 0.74  | 0.46    |       |         |    |      |      |    |      |      |    |      |      |    |      |      |    |      |      |
| 80  | 0.61  | 0.23    |       |         |    |      |      |    |      |      |    |      |      |    |      |      |    |      |      |
| 90  | 0.34  | 0.07    |       |         |    |      |      |    |      |      |    |      |      |    |      |      |    |      |      |
| Allowance for commutation                     | Nil except for mandatory lump sum cases.  |         |       |         |    |      |      |    |      |      |    |      |      |    |      |      |    |      |      |



## Appendix B: Factors to calculate employer costs on compulsory early retirement

TABLE CER1 (Table 801 in consolidated factors spreadsheet)

**NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - MEMBERS OF 1995 SECTION**  
**Employer cost for a member with NPA 55 leaving on compulsory early retirement**  
**for pension payments up to age 55**

| Age: complete months   | 0     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>PENSION FACTORS</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Complete Years</b>  |       |       |       |       |       |       |       |       |       |       |       |       |
| 50                     | 4.442 | 4.374 | 4.306 | 4.238 | 4.169 | 4.101 | 4.033 | 3.965 | 3.897 | 3.829 | 3.761 | 3.693 |
| 51                     | 3.623 | 3.552 | 3.481 | 3.410 | 3.339 | 3.268 | 3.196 | 3.125 | 3.054 | 2.983 | 2.912 | 2.841 |
| 52                     | 2.768 | 2.693 | 2.619 | 2.545 | 2.470 | 2.396 | 2.321 | 2.247 | 2.172 | 2.098 | 2.024 | 1.949 |
| 53                     | 1.873 | 1.795 | 1.717 | 1.639 | 1.562 | 1.484 | 1.406 | 1.328 | 1.250 | 1.172 | 1.094 | 1.017 |
| 54                     | 0.937 | 0.855 | 0.774 | 0.693 | 0.611 | 0.530 | 0.448 | 0.367 | 0.285 | 0.204 | 0.122 | 0.041 |
| 55                     | 0.000 |       |       |       |       |       |       |       |       |       |       |       |

Notes:

- (1) Amount payable is determined by multiplying the member's total pension entitlement (i.e. including service enhancement) at date of retirement by the factor shown for age at retirement.
- (2) Pension amounts should be multiplied by factor above before any lump sum commutation option is exercised.
- (3) Where members have any deferred PI at their date of redundancy these factors should be applied to benefits excluding any deferred PI. No adjustment is required in respect of the deferred PI.



TABLE CER2 (Table 802 in consolidated factors spreadsheet)

**NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - MEMBERS OF 1995 SECTION**

**Employer cost for a member with NPA 55 leaving on compulsory early retirement  
for enhancement payments after age 55**

| AGE: complete months   | 0      | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11     |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>PENSION FACTORS</b> |        |        |        |        |        |        |        |        |        |        |        |        |
| <b>Complete Years:</b> |        |        |        |        |        |        |        |        |        |        |        |        |
| 50                     | 21.128 | 21.168 | 21.209 | 21.249 | 21.290 | 21.331 | 21.371 | 21.412 | 21.452 | 21.493 | 21.533 | 21.574 |
| 51                     | 21.615 | 21.657 | 21.699 | 21.740 | 21.782 | 21.824 | 21.865 | 21.907 | 21.949 | 21.991 | 22.032 | 22.074 |
| 52                     | 22.116 | 22.159 | 22.202 | 22.245 | 22.288 | 22.331 | 22.374 | 22.416 | 22.459 | 22.502 | 22.545 | 22.588 |
| 53                     | 22.632 | 22.676 | 22.720 | 22.764 | 22.808 | 22.853 | 22.897 | 22.941 | 22.985 | 23.029 | 23.073 | 23.118 |
| 54                     | 23.162 | 23.208 | 23.254 | 23.299 | 23.345 | 23.390 | 23.436 | 23.481 | 23.527 | 23.572 | 23.618 | 23.663 |
| 55                     | 23.667 | 23.630 | 23.592 | 23.554 | 23.517 | 23.479 | 23.441 | 23.404 | 23.366 | 23.329 | 23.291 | 23.253 |
| 56                     | 23.216 | 23.177 | 23.139 | 23.101 | 23.063 | 23.025 | 22.987 | 22.948 | 22.910 | 22.872 | 22.834 | 22.796 |
| 57                     | 22.757 | 22.719 | 22.680 | 22.641 | 22.602 | 22.564 | 22.525 | 22.486 | 22.447 | 22.408 | 22.370 | 22.331 |
| 58                     | 22.292 | 22.252 | 22.213 | 22.173 | 22.134 | 22.094 | 22.055 | 22.015 | 21.976 | 21.936 | 21.897 | 21.857 |
| 59                     | 21.817 | 21.777 | 21.737 | 21.696 | 21.656 | 21.616 | 21.576 | 21.535 | 21.495 | 21.455 | 21.414 | 21.374 |
| 60                     | 21.333 | 21.292 | 21.251 | 21.210 | 21.169 | 21.128 | 21.087 | 21.046 | 21.004 | 20.963 | 20.922 | 20.881 |
| 61                     | 20.840 | 20.798 | 20.756 | 20.714 | 20.672 | 20.630 | 20.588 | 20.546 | 20.504 | 20.462 | 20.420 | 20.378 |
| 62                     | 20.336 | 20.293 | 20.250 | 20.208 | 20.165 | 20.122 | 20.079 | 20.037 | 19.994 | 19.951 | 19.909 | 19.866 |
| 63                     | 19.823 | 19.779 | 19.736 | 19.692 | 19.649 | 19.605 | 19.562 | 19.518 | 19.475 | 19.431 | 19.388 | 19.344 |
| 64                     | 19.300 | 19.256 | 19.212 | 19.167 | 19.123 | 19.078 | 19.034 | 18.989 | 18.945 | 18.901 | 18.856 | 18.812 |
| 65                     | 18.767 | 18.722 | 18.677 | 18.632 | 18.587 | 18.542 | 18.497 | 18.452 | 18.407 | 18.362 | 18.317 | 18.271 |
| 66                     | 18.226 | 18.180 | 18.135 | 18.089 | 18.043 | 17.997 | 17.952 | 17.906 | 17.860 | 17.815 | 17.769 | 17.723 |
| 67                     | 17.677 | 17.631 | 17.584 | 17.538 | 17.492 | 17.445 | 17.399 | 17.352 | 17.306 | 17.260 | 17.213 | 17.167 |
| 68                     | 17.120 | 17.073 | 17.026 | 16.979 | 16.932 | 16.885 | 16.838 | 16.791 | 16.744 | 16.697 | 16.650 | 16.603 |
| 69                     | 16.553 | 16.502 | 16.450 | 16.398 | 16.346 | 16.294 | 16.242 | 16.190 | 16.138 | 16.086 | 16.034 | 15.982 |
| 70                     | 15.932 | 15.884 | 15.835 | 15.787 | 15.739 | 15.691 | 15.643 | 15.595 | 15.547 | 15.499 | 15.451 | 15.403 |
| 71                     | 15.354 | 15.306 | 15.257 | 15.209 | 15.160 | 15.111 | 15.063 | 15.014 | 14.966 | 14.917 | 14.869 | 14.820 |
| 72                     | 14.771 | 14.722 | 14.673 | 14.624 | 14.575 | 14.527 | 14.478 | 14.429 | 14.380 | 14.331 | 14.282 | 14.233 |



|     |        |        |        |        |        |        |        |        |        |        |        |        |
|-----|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 73  | 14.184 | 14.135 | 14.086 | 14.036 | 13.987 | 13.938 | 13.889 | 13.840 | 13.790 | 13.741 | 13.692 | 13.643 |
| 74  | 13.590 | 13.533 | 13.477 | 13.420 | 13.363 | 13.307 | 13.250 | 13.193 | 13.137 | 13.080 | 13.024 | 12.967 |
| 75  | 12.914 | 12.865 | 12.816 | 12.767 | 12.717 | 12.668 | 12.619 | 12.570 | 12.521 | 12.472 | 12.423 | 12.374 |
| 76  | 12.324 | 12.276 | 12.227 | 12.178 | 12.129 | 12.080 | 12.031 | 11.982 | 11.933 | 11.884 | 11.835 | 11.786 |
| 77  | 11.737 | 11.689 | 11.640 | 11.591 | 11.542 | 11.494 | 11.445 | 11.396 | 11.348 | 11.299 | 11.250 | 11.201 |
| 78  | 11.153 | 11.105 | 11.056 | 11.008 | 10.959 | 10.911 | 10.863 | 10.814 | 10.766 | 10.717 | 10.669 | 10.620 |
| 79  | 10.568 | 10.511 | 10.455 | 10.398 | 10.342 | 10.285 | 10.228 | 10.172 | 10.115 | 10.058 | 10.002 | 9.945  |
| 80  | 9.893  | 9.846  | 9.799  | 9.752  | 9.704  | 9.657  | 9.610  | 9.562  | 9.515  | 9.468  | 9.421  | 9.373  |
| 81  | 9.326  | 9.280  | 9.233  | 9.187  | 9.140  | 9.093  | 9.047  | 9.000  | 8.954  | 8.907  | 8.860  | 8.814  |
| 82  | 8.767  | 8.722  | 8.676  | 8.630  | 8.584  | 8.539  | 8.493  | 8.447  | 8.401  | 8.356  | 8.310  | 8.264  |
| 83  | 8.219  | 8.174  | 8.129  | 8.085  | 8.040  | 7.995  | 7.951  | 7.906  | 7.861  | 7.816  | 7.772  | 7.727  |
| 84  | 7.679  | 7.628  | 7.577  | 7.526  | 7.475  | 7.424  | 7.372  | 7.321  | 7.270  | 7.219  | 7.168  | 7.117  |
| 85  | 7.071  | 7.029  | 6.988  | 6.946  | 6.905  | 6.863  | 6.822  | 6.780  | 6.739  | 6.698  | 6.656  | 6.615  |
| 86  | 6.574  | 6.535  | 6.495  | 6.455  | 6.416  | 6.376  | 6.337  | 6.297  | 6.258  | 6.218  | 6.178  | 6.139  |
| 87  | 6.100  | 6.063  | 6.026  | 5.989  | 5.951  | 5.914  | 5.877  | 5.840  | 5.802  | 5.765  | 5.728  | 5.691  |
| 88  | 5.655  | 5.620  | 5.585  | 5.550  | 5.515  | 5.480  | 5.445  | 5.410  | 5.375  | 5.340  | 5.305  | 5.270  |
| 89  | 5.233  | 5.194  | 5.155  | 5.116  | 5.077  | 5.038  | 4.999  | 4.960  | 4.921  | 4.882  | 4.842  | 4.803  |
| 90  | 4.769  | 4.739  | 4.708  | 4.678  | 4.648  | 4.618  | 4.588  | 4.558  | 4.527  | 4.497  | 4.467  | 4.437  |
| 91  | 4.408  | 4.379  | 4.351  | 4.323  | 4.295  | 4.267  | 4.239  | 4.211  | 4.183  | 4.154  | 4.126  | 4.098  |
| 92  | 4.071  | 4.045  | 4.019  | 3.992  | 3.966  | 3.940  | 3.914  | 3.887  | 3.861  | 3.835  | 3.809  | 3.783  |
| 93  | 3.757  | 3.733  | 3.709  | 3.685  | 3.660  | 3.636  | 3.612  | 3.588  | 3.563  | 3.539  | 3.515  | 3.491  |
| 94  | 3.467  | 3.445  | 3.423  | 3.401  | 3.379  | 3.357  | 3.335  | 3.313  | 3.291  | 3.269  | 3.247  | 3.225  |
| 95  | 3.204  | 3.184  | 3.164  | 3.145  | 3.125  | 3.105  | 3.085  | 3.066  | 3.046  | 3.026  | 3.006  | 2.986  |
| 96  | 2.968  | 2.950  | 2.933  | 2.915  | 2.897  | 2.880  | 2.862  | 2.845  | 2.827  | 2.809  | 2.792  | 2.774  |
| 97  | 2.758  | 2.743  | 2.727  | 2.712  | 2.697  | 2.682  | 2.667  | 2.652  | 2.637  | 2.622  | 2.607  | 2.591  |
| 98  | 2.577  | 2.564  | 2.551  | 2.538  | 2.525  | 2.512  | 2.499  | 2.486  | 2.473  | 2.459  | 2.446  | 2.433  |
| 99  | 2.421  | 2.409  | 2.397  | 2.385  | 2.373  | 2.362  | 2.350  | 2.338  | 2.326  | 2.314  | 2.302  | 2.291  |
| 100 | 2.279  | 2.269  | 2.258  | 2.247  | 2.236  | 2.226  | 2.215  | 2.204  | 2.194  | 2.183  | 2.172  | 2.161  |
| 101 | 2.156  |        |        |        |        |        |        |        |        |        |        |        |



TABLE CER3 (Table 803 in consolidated factors spreadsheet)

**NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - MEMBERS OF 1995 SECTION**

**Employer cost for a member with NPA 55 leaving on compulsory early retirement for early payment of lump sum**

| Period to NPA:<br>months | 0     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>LUMP SUM FACTORS</b>  |       |       |       |       |       |       |       |       |       |       |       |       |
| Years                    |       |       |       |       |       |       |       |       |       |       |       |       |
| 50                       | 0.111 | 0.109 | 0.107 | 0.106 | 0.104 | 0.102 | 0.100 | 0.098 | 0.097 | 0.095 | 0.093 | 0.091 |
| 51                       | 0.090 | 0.088 | 0.086 | 0.084 | 0.082 | 0.081 | 0.079 | 0.077 | 0.075 | 0.073 | 0.071 | 0.070 |
| 52                       | 0.068 | 0.066 | 0.064 | 0.062 | 0.060 | 0.058 | 0.057 | 0.055 | 0.053 | 0.051 | 0.049 | 0.047 |
| 53                       | 0.045 | 0.043 | 0.042 | 0.040 | 0.038 | 0.036 | 0.034 | 0.032 | 0.030 | 0.028 | 0.026 | 0.024 |
| 54                       | 0.022 | 0.021 | 0.019 | 0.017 | 0.015 | 0.013 | 0.011 | 0.009 | 0.007 | 0.005 | 0.003 | 0.001 |
| 55                       | 0.000 |       |       |       |       |       |       |       |       |       |       |       |

Notes:

- (1) See guidance for application of factor.
- (2) Period to retirement should be rounded up to the higher month.
- (3) Where members have any deferred PI at their date of redundancy these factors should be applied to benefits excluding any deferred PI. A saving or cost should then be calculated using table CER9. The overall cost to the employer allowing for the adjustment for deferred PI should be greater than or equal to £0.



**TABLE CER4 (Table 804 in consolidated factors spreadsheet)**

**NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - MEMBERS OF 1995 SECTION**

**Employer cost for a member with NPA 60 leaving on compulsory early retirement  
for pension payments up to age 60**

| Age: complete months   | 0     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>PENSION FACTORS</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Complete years:</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| 50                     | 8.577 | 8.517 | 8.458 | 8.399 | 8.340 | 8.280 | 8.221 | 8.162 | 8.102 | 8.043 | 7.984 | 7.924 |
| 51                     | 7.864 | 7.801 | 7.739 | 7.677 | 7.615 | 7.553 | 7.491 | 7.429 | 7.366 | 7.304 | 7.242 | 7.180 |
| 52                     | 7.116 | 7.051 | 6.986 | 6.921 | 6.856 | 6.791 | 6.726 | 6.661 | 6.595 | 6.530 | 6.465 | 6.400 |
| 53                     | 6.333 | 6.265 | 6.197 | 6.129 | 6.060 | 5.992 | 5.924 | 5.856 | 5.788 | 5.719 | 5.651 | 5.583 |
| 54                     | 5.513 | 5.441 | 5.370 | 5.298 | 5.227 | 5.155 | 5.084 | 5.012 | 4.941 | 4.869 | 4.798 | 4.726 |
| 55                     | 4.653 | 4.579 | 4.504 | 4.430 | 4.356 | 4.281 | 4.207 | 4.132 | 4.058 | 3.983 | 3.909 | 3.835 |
| 56                     | 3.759 | 3.683 | 3.607 | 3.531 | 3.455 | 3.379 | 3.302 | 3.226 | 3.150 | 3.074 | 2.998 | 2.922 |
| 57                     | 2.845 | 2.767 | 2.689 | 2.611 | 2.533 | 2.455 | 2.377 | 2.299 | 2.221 | 2.143 | 2.065 | 1.987 |
| 58                     | 1.907 | 1.827 | 1.747 | 1.667 | 1.587 | 1.507 | 1.427 | 1.347 | 1.267 | 1.187 | 1.107 | 1.027 |
| 59                     | 0.946 | 0.863 | 0.781 | 0.699 | 0.617 | 0.534 | 0.452 | 0.370 | 0.288 | 0.206 | 0.123 | 0.041 |
| 60                     | 0.000 |       |       |       |       |       |       |       |       |       |       |       |

**Notes:**

- (1) Amount payable is determined by multiplying the member's total pension entitlement (i.e. including service enhancement) at date of retirement by the factor shown for age at retirement.
- (2) Pension amounts should be multiplied by factor above before any lump sum commutation option is exercised.
- (3) Where members have any deferred PI at their date of redundancy these factors should be applied to benefits excluding any deferred PI. An additional cost in respect of the deferred PI should then be calculated using table CER10.



**TABLE CER5 (Table 805 in consolidated factors spreadsheet)**

**NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - MEMBERS OF 1995 SECTION**

**Employer cost for a member with NPA 60 leaving on compulsory early retirement  
for enhancement payments after age 60**

| AGE: complete months | 0      | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11     |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| PENSION FACTORS      |        |        |        |        |        |        |        |        |        |        |        |        |
| Complete Years:      |        |        |        |        |        |        |        |        |        |        |        |        |
| 50                   | 17.008 | 17.039 | 17.071 | 17.103 | 17.135 | 17.167 | 17.199 | 17.231 | 17.262 | 17.294 | 17.326 | 17.358 |
| 51                   | 17.390 | 17.423 | 17.456 | 17.489 | 17.521 | 17.554 | 17.587 | 17.620 | 17.652 | 17.685 | 17.718 | 17.750 |
| 52                   | 17.784 | 17.817 | 17.851 | 17.884 | 17.918 | 17.952 | 17.985 | 18.019 | 18.053 | 18.086 | 18.120 | 18.153 |
| 53                   | 18.188 | 18.222 | 18.257 | 18.291 | 18.326 | 18.361 | 18.395 | 18.430 | 18.464 | 18.499 | 18.534 | 18.568 |
| 54                   | 18.603 | 18.639 | 18.675 | 18.710 | 18.746 | 18.781 | 18.817 | 18.853 | 18.888 | 18.924 | 18.959 | 18.995 |
| 55                   | 19.031 | 19.068 | 19.105 | 19.141 | 19.178 | 19.215 | 19.251 | 19.288 | 19.325 | 19.361 | 19.398 | 19.435 |
| 56                   | 19.472 | 19.510 | 19.548 | 19.586 | 19.623 | 19.661 | 19.699 | 19.737 | 19.775 | 19.813 | 19.850 | 19.888 |
| 57                   | 19.927 | 19.966 | 20.005 | 20.044 | 20.083 | 20.122 | 20.161 | 20.200 | 20.239 | 20.278 | 20.317 | 20.356 |
| 58                   | 20.396 | 20.436 | 20.477 | 20.517 | 20.557 | 20.598 | 20.638 | 20.678 | 20.719 | 20.759 | 20.800 | 20.840 |
| 59                   | 20.881 | 20.923 | 20.964 | 21.006 | 21.048 | 21.089 | 21.131 | 21.173 | 21.215 | 21.256 | 21.298 | 21.340 |
| 60                   | 21.340 | 21.298 | 21.257 | 21.215 | 21.174 | 21.132 | 21.091 | 21.049 | 21.008 | 20.966 | 20.925 | 20.883 |
| 61                   | 20.841 | 20.799 | 20.757 | 20.715 | 20.673 | 20.631 | 20.589 | 20.547 | 20.504 | 20.462 | 20.420 | 20.378 |
| 62                   | 20.336 | 20.293 | 20.250 | 20.208 | 20.165 | 20.122 | 20.079 | 20.037 | 19.994 | 19.951 | 19.909 | 19.866 |
| 63                   | 19.823 | 19.779 | 19.736 | 19.692 | 19.649 | 19.605 | 19.562 | 19.518 | 19.475 | 19.431 | 19.388 | 19.344 |
| 64                   | 19.300 | 19.256 | 19.212 | 19.167 | 19.123 | 19.078 | 19.034 | 18.989 | 18.945 | 18.901 | 18.856 | 18.812 |
| 65                   | 18.767 | 18.722 | 18.677 | 18.632 | 18.587 | 18.542 | 18.497 | 18.452 | 18.407 | 18.362 | 18.317 | 18.271 |
| 66                   | 18.226 | 18.180 | 18.135 | 18.089 | 18.043 | 17.997 | 17.952 | 17.906 | 17.860 | 17.815 | 17.769 | 17.723 |
| 67                   | 17.677 | 17.631 | 17.584 | 17.538 | 17.492 | 17.445 | 17.399 | 17.352 | 17.306 | 17.260 | 17.213 | 17.167 |
| 68                   | 17.120 | 17.073 | 17.026 | 16.979 | 16.932 | 16.885 | 16.838 | 16.791 | 16.744 | 16.697 | 16.650 | 16.603 |
| 69                   | 16.553 | 16.502 | 16.450 | 16.398 | 16.346 | 16.294 | 16.242 | 16.190 | 16.138 | 16.086 | 16.034 | 15.982 |
| 70                   | 15.932 | 15.884 | 15.835 | 15.787 | 15.739 | 15.691 | 15.643 | 15.595 | 15.547 | 15.499 | 15.451 | 15.403 |
| 71                   | 15.354 | 15.306 | 15.257 | 15.209 | 15.160 | 15.111 | 15.063 | 15.014 | 14.966 | 14.917 | 14.869 | 14.820 |





**TABLE CER5 (Table 805 in consolidated factors spreadsheet)**

|     |        |        |        |        |        |        |        |        |        |        |        |        |
|-----|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 72  | 14.771 | 14.722 | 14.673 | 14.624 | 14.575 | 14.527 | 14.478 | 14.429 | 14.380 | 14.331 | 14.282 | 14.233 |
| 73  | 14.184 | 14.135 | 14.086 | 14.036 | 13.987 | 13.938 | 13.889 | 13.840 | 13.790 | 13.741 | 13.692 | 13.643 |
| 74  | 13.590 | 13.533 | 13.477 | 13.420 | 13.363 | 13.307 | 13.250 | 13.193 | 13.137 | 13.080 | 13.024 | 12.967 |
| 75  | 12.914 | 12.865 | 12.816 | 12.767 | 12.717 | 12.668 | 12.619 | 12.570 | 12.521 | 12.472 | 12.423 | 12.374 |
| 76  | 12.324 | 12.276 | 12.227 | 12.178 | 12.129 | 12.080 | 12.031 | 11.982 | 11.933 | 11.884 | 11.835 | 11.786 |
| 77  | 11.737 | 11.689 | 11.640 | 11.591 | 11.542 | 11.494 | 11.445 | 11.396 | 11.348 | 11.299 | 11.250 | 11.201 |
| 78  | 11.153 | 11.105 | 11.056 | 11.008 | 10.959 | 10.911 | 10.863 | 10.814 | 10.766 | 10.717 | 10.669 | 10.620 |
| 79  | 10.568 | 10.511 | 10.455 | 10.398 | 10.342 | 10.285 | 10.228 | 10.172 | 10.115 | 10.058 | 10.002 | 9.945  |
| 80  | 9.893  | 9.846  | 9.799  | 9.752  | 9.704  | 9.657  | 9.610  | 9.562  | 9.515  | 9.468  | 9.421  | 9.373  |
| 81  | 9.326  | 9.280  | 9.233  | 9.187  | 9.140  | 9.093  | 9.047  | 9.000  | 8.954  | 8.907  | 8.860  | 8.814  |
| 82  | 8.767  | 8.722  | 8.676  | 8.630  | 8.584  | 8.539  | 8.493  | 8.447  | 8.401  | 8.356  | 8.310  | 8.264  |
| 83  | 8.219  | 8.174  | 8.129  | 8.085  | 8.040  | 7.995  | 7.951  | 7.906  | 7.861  | 7.816  | 7.772  | 7.727  |
| 84  | 7.679  | 7.628  | 7.577  | 7.526  | 7.475  | 7.424  | 7.372  | 7.321  | 7.270  | 7.219  | 7.168  | 7.117  |
| 85  | 7.071  | 7.029  | 6.988  | 6.946  | 6.905  | 6.863  | 6.822  | 6.780  | 6.739  | 6.698  | 6.656  | 6.615  |
| 86  | 6.574  | 6.535  | 6.495  | 6.455  | 6.416  | 6.376  | 6.337  | 6.297  | 6.258  | 6.218  | 6.178  | 6.139  |
| 87  | 6.100  | 6.063  | 6.026  | 5.989  | 5.951  | 5.914  | 5.877  | 5.840  | 5.802  | 5.765  | 5.728  | 5.691  |
| 88  | 5.655  | 5.620  | 5.585  | 5.550  | 5.515  | 5.480  | 5.445  | 5.410  | 5.375  | 5.340  | 5.305  | 5.270  |
| 89  | 5.233  | 5.194  | 5.155  | 5.116  | 5.077  | 5.038  | 4.999  | 4.960  | 4.921  | 4.882  | 4.842  | 4.803  |
| 90  | 4.769  | 4.739  | 4.708  | 4.678  | 4.648  | 4.618  | 4.588  | 4.558  | 4.527  | 4.497  | 4.467  | 4.437  |
| 91  | 4.408  | 4.379  | 4.351  | 4.323  | 4.295  | 4.267  | 4.239  | 4.211  | 4.183  | 4.154  | 4.126  | 4.098  |
| 92  | 4.071  | 4.045  | 4.019  | 3.992  | 3.966  | 3.940  | 3.914  | 3.887  | 3.861  | 3.835  | 3.809  | 3.783  |
| 93  | 3.757  | 3.733  | 3.709  | 3.685  | 3.660  | 3.636  | 3.612  | 3.588  | 3.563  | 3.539  | 3.515  | 3.491  |
| 94  | 3.467  | 3.445  | 3.423  | 3.401  | 3.379  | 3.357  | 3.335  | 3.313  | 3.291  | 3.269  | 3.247  | 3.225  |
| 95  | 3.204  | 3.184  | 3.164  | 3.145  | 3.125  | 3.105  | 3.085  | 3.066  | 3.046  | 3.026  | 3.006  | 2.986  |
| 96  | 2.968  | 2.950  | 2.933  | 2.915  | 2.897  | 2.880  | 2.862  | 2.845  | 2.827  | 2.809  | 2.792  | 2.774  |
| 97  | 2.758  | 2.743  | 2.727  | 2.712  | 2.697  | 2.682  | 2.667  | 2.652  | 2.637  | 2.622  | 2.607  | 2.591  |
| 98  | 2.577  | 2.564  | 2.551  | 2.538  | 2.525  | 2.512  | 2.499  | 2.486  | 2.473  | 2.459  | 2.446  | 2.433  |
| 99  | 2.421  | 2.409  | 2.397  | 2.385  | 2.373  | 2.362  | 2.350  | 2.338  | 2.326  | 2.314  | 2.302  | 2.291  |
| 100 | 2.279  | 2.269  | 2.258  | 2.247  | 2.236  | 2.226  | 2.215  | 2.204  | 2.194  | 2.183  | 2.172  | 2.161  |
| 101 | 2.156  |        |        |        |        |        |        |        |        |        |        |        |



Notes:

- (1) For capitalisation of costs on redundancy, the amount payable due to payments after NRA 60 is determined by multiplying the enhancement element only of the member's pension at date of retirement, by the factor shown for age at retirement.
- (2) Pension amounts should be multiplied by factor above before any lump sum commutation option is exercised
- (3) For capitalisation of costs after redundancy, the amount payable is determined by multiplying the enhancement element only of the member's pension at the date of capitalisation, by the factor shown for the age at this date.
- (4) These factors are only suitable for the capitalisation of costs after payment of benefits has commenced where redundancies occurred prior to April 2008.



**TABLE CER6 (Table 806 in consolidated factors spreadsheet)**

**NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - MEMBERS OF 1995 SECTION**

**Employer cost for a member with NPA 60 leaving on compulsory early retirement  
for early payment of lump sum**

| AGE: complete months    | 0     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>LUMP SUM FACTORS</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Complete Years:</b>  |       |       |       |       |       |       |       |       |       |       |       |       |
| 50                      | 0.210 | 0.209 | 0.207 | 0.206 | 0.204 | 0.202 | 0.201 | 0.199 | 0.198 | 0.196 | 0.195 | 0.193 |
| 51                      | 0.191 | 0.190 | 0.188 | 0.187 | 0.185 | 0.183 | 0.182 | 0.180 | 0.178 | 0.177 | 0.175 | 0.174 |
| 52                      | 0.172 | 0.170 | 0.169 | 0.167 | 0.165 | 0.164 | 0.162 | 0.160 | 0.159 | 0.157 | 0.155 | 0.154 |
| 53                      | 0.152 | 0.150 | 0.149 | 0.147 | 0.145 | 0.144 | 0.142 | 0.140 | 0.139 | 0.137 | 0.135 | 0.133 |
| 54                      | 0.132 | 0.130 | 0.128 | 0.127 | 0.125 | 0.123 | 0.121 | 0.120 | 0.118 | 0.116 | 0.114 | 0.113 |
| 55                      | 0.111 | 0.109 | 0.107 | 0.106 | 0.104 | 0.102 | 0.100 | 0.098 | 0.097 | 0.095 | 0.093 | 0.091 |
| 56                      | 0.090 | 0.088 | 0.086 | 0.084 | 0.082 | 0.081 | 0.079 | 0.077 | 0.075 | 0.073 | 0.071 | 0.070 |
| 57                      | 0.068 | 0.066 | 0.064 | 0.062 | 0.060 | 0.058 | 0.057 | 0.055 | 0.053 | 0.051 | 0.049 | 0.047 |
| 58                      | 0.045 | 0.043 | 0.042 | 0.040 | 0.038 | 0.036 | 0.034 | 0.032 | 0.030 | 0.028 | 0.026 | 0.024 |
| 59                      | 0.022 | 0.021 | 0.019 | 0.017 | 0.015 | 0.013 | 0.011 | 0.009 | 0.007 | 0.005 | 0.003 | 0.001 |
| 60                      | 0.000 |       |       |       |       |       |       |       |       |       |       |       |

**Notes:**

- (1) Amount payable is determined by multiplying the basic lump sum entitlement at date of retirement, by the factor shown for age at retirement.
- (2) Any extra element of lump sum in respect of service enhancement must then be added to this amount.
- (3) Where members have any deferred PI and are under age 55 at their date of redundancy these factors should be applied to benefits excluding any deferred PI. An additional cost in respect of the deferred PI should then be calculated using table CER10.



TABLE CER7 (Table 807 in consolidated factors spreadsheet)

**NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - MEMBERS OF 2008 SECTION**

**Employer cost for a member with NPA 65 leaving on compulsory early retirement  
for pension payments up to age 65**

| AGE: complete months   | 0     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>PENSION FACTORS</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Complete Years:</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| 55                     | 8.780 | 8.714 | 8.648 | 8.582 | 8.516 | 8.450 | 8.384 | 8.318 | 8.252 | 8.186 | 8.120 | 8.054 |
| 56                     | 7.987 | 7.919 | 7.852 | 7.784 | 7.717 | 7.650 | 7.582 | 7.515 | 7.447 | 7.380 | 7.312 | 7.245 |
| 57                     | 7.176 | 7.108 | 7.039 | 6.970 | 6.901 | 6.832 | 6.763 | 6.694 | 6.625 | 6.556 | 6.487 | 6.418 |
| 58                     | 6.348 | 6.278 | 6.207 | 6.137 | 6.066 | 5.996 | 5.925 | 5.855 | 5.784 | 5.714 | 5.643 | 5.573 |
| 59                     | 5.501 | 5.429 | 5.357 | 5.285 | 5.213 | 5.141 | 5.069 | 4.997 | 4.925 | 4.853 | 4.781 | 4.709 |
| 60                     | 4.636 | 4.562 | 4.488 | 4.415 | 4.341 | 4.267 | 4.193 | 4.119 | 4.046 | 3.972 | 3.898 | 3.824 |
| 61                     | 3.749 | 3.674 | 3.598 | 3.522 | 3.446 | 3.371 | 3.295 | 3.219 | 3.144 | 3.068 | 2.992 | 2.916 |
| 62                     | 2.840 | 2.762 | 2.684 | 2.606 | 2.528 | 2.451 | 2.373 | 2.295 | 2.217 | 2.140 | 2.062 | 1.984 |
| 63                     | 1.905 | 1.825 | 1.745 | 1.665 | 1.585 | 1.505 | 1.426 | 1.346 | 1.266 | 1.186 | 1.106 | 1.026 |
| 64                     | 0.945 | 0.863 | 0.781 | 0.698 | 0.616 | 0.534 | 0.452 | 0.370 | 0.288 | 0.205 | 0.123 | 0.041 |
| 65                     | 0.000 |       |       |       |       |       |       |       |       |       |       |       |

Notes:

- (1) Amount payable is determined by multiplying the member's pension entitlement at date of retirement by the factor shown for age at retirement.
- (2) Pension amounts should be multiplied by factor above before any lump sum commutation option is exercised except for members with mandatory lump sums. For members with mandatory lump sums the accrued pension after reduction to allow for commutation of mandatory lump sum (but no further optional lump sum) should be multiplied by the above factor.



TABLE CER8 (Table 808 in consolidated factors spreadsheet)

**NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - MEMBERS OF 2008 SECTION (CHOICE OPTANTS)**  
**Employer cost for a member with NPA 65 leaving on compulsory early retirement**  
**for early payment of mandatory lump sum**

| AGE: complete months              | 0     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>MANDATORY LUMP SUM FACTORS</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Complete Years:</b>            |       |       |       |       |       |       |       |       |       |       |       |       |
| 55                                | 0.210 | 0.209 | 0.207 | 0.206 | 0.204 | 0.202 | 0.201 | 0.199 | 0.198 | 0.196 | 0.195 | 0.193 |
| 56                                | 0.191 | 0.190 | 0.188 | 0.187 | 0.185 | 0.183 | 0.182 | 0.180 | 0.178 | 0.177 | 0.175 | 0.174 |
| 57                                | 0.172 | 0.170 | 0.169 | 0.167 | 0.165 | 0.164 | 0.162 | 0.160 | 0.159 | 0.157 | 0.155 | 0.154 |
| 58                                | 0.152 | 0.150 | 0.149 | 0.147 | 0.145 | 0.144 | 0.142 | 0.140 | 0.139 | 0.137 | 0.135 | 0.133 |
| 59                                | 0.132 | 0.130 | 0.128 | 0.127 | 0.125 | 0.123 | 0.121 | 0.120 | 0.118 | 0.116 | 0.114 | 0.113 |
| 60                                | 0.111 | 0.109 | 0.107 | 0.106 | 0.104 | 0.102 | 0.100 | 0.098 | 0.097 | 0.095 | 0.093 | 0.091 |
| 61                                | 0.090 | 0.088 | 0.086 | 0.084 | 0.082 | 0.081 | 0.079 | 0.077 | 0.075 | 0.073 | 0.071 | 0.070 |
| 62                                | 0.068 | 0.066 | 0.064 | 0.062 | 0.060 | 0.058 | 0.057 | 0.055 | 0.053 | 0.051 | 0.049 | 0.047 |
| 63                                | 0.045 | 0.043 | 0.042 | 0.040 | 0.038 | 0.036 | 0.034 | 0.032 | 0.030 | 0.028 | 0.026 | 0.024 |
| 64                                | 0.022 | 0.021 | 0.019 | 0.017 | 0.015 | 0.013 | 0.011 | 0.009 | 0.007 | 0.005 | 0.003 | 0.001 |
| 65                                | 0.000 |       |       |       |       |       |       |       |       |       |       |       |

Notes:

- 1) Amount payable is determined by multiplying the mandatory lump sum entitlement at date of retirement, by the factor shown for age at retirement.



**TABLE CER9 (Table 809 in consolidated factors spreadsheet)**

**NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - MEMBERS OF 1995 SECTION**  
**Employer cost for a member with NPA 55 leaving on compulsory early retirement**  
**for members with deferred PI**

| Age: complete months    | 0     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>LUMP SUM FACTORS</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Complete years:</b>  |       |       |       |       |       |       |       |       |       |       |       |       |
| 50                      | 0.083 | 0.082 | 0.081 | 0.080 | 0.078 | 0.077 | 0.076 | 0.075 | 0.074 | 0.072 | 0.071 | 0.070 |
| 51                      | 0.069 | 0.067 | 0.066 | 0.065 | 0.063 | 0.062 | 0.061 | 0.060 | 0.058 | 0.057 | 0.056 | 0.054 |
| 52                      | 0.053 | 0.052 | 0.050 | 0.049 | 0.048 | 0.046 | 0.045 | 0.043 | 0.042 | 0.041 | 0.039 | 0.038 |
| 53                      | 0.036 | 0.035 | 0.033 | 0.032 | 0.030 | 0.029 | 0.027 | 0.026 | 0.024 | 0.023 | 0.021 | 0.020 |
| 54                      | 0.018 | 0.017 | 0.015 | 0.014 | 0.012 | 0.010 | 0.009 | 0.007 | 0.006 | 0.004 | 0.002 | 0.001 |
| 55                      | 0.000 |       |       |       |       |       |       |       |       |       |       |       |

**Notes:**

- (1) Saving is determined by multiplying the member's deferred PI amount due on the lump sum by the factor shown for age at retirement.
- (2) This should then be deducted from the cost charged to the employer. The overall costs should be greater than or equal to £0.



TABLE CER10 (Table 810 in consolidated factors spreadsheet)

**NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland)- MEMBERS OF 1995 SECTION**  
**Employer costs for a member with NPA 60 leaving on compulsory early retirement**  
**for members retiring before age 55 with deferred PI**

| Age: complete months   | 0     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>PENSION FACTORS</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Complete years:</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| 50                     | 4.131 | 4.139 | 4.148 | 4.157 | 4.166 | 4.174 | 4.183 | 4.192 | 4.200 | 4.209 | 4.218 | 4.227 |
| 51                     | 4.236 | 4.245 | 4.254 | 4.263 | 4.272 | 4.281 | 4.290 | 4.299 | 4.308 | 4.317 | 4.326 | 4.335 |
| 52                     | 4.344 | 4.353 | 4.362 | 4.372 | 4.381 | 4.390 | 4.399 | 4.409 | 4.418 | 4.427 | 4.437 | 4.446 |
| 53                     | 4.455 | 4.465 | 4.475 | 4.484 | 4.494 | 4.503 | 4.513 | 4.523 | 4.532 | 4.542 | 4.551 | 4.561 |
| 54                     | 4.571 | 4.581 | 4.591 | 4.601 | 4.611 | 4.620 | 4.630 | 4.640 | 4.650 | 4.660 | 4.670 | 4.680 |
| 55                     | 4.685 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

| Age: complete months    | 0     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>LUMP SUM FACTORS</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Complete years:</b>  |       |       |       |       |       |       |       |       |       |       |       |       |
| 50                      | 0.025 | 0.026 | 0.028 | 0.029 | 0.030 | 0.032 | 0.033 | 0.035 | 0.036 | 0.038 | 0.039 | 0.041 |
| 51                      | 0.042 | 0.044 | 0.045 | 0.047 | 0.048 | 0.050 | 0.051 | 0.053 | 0.055 | 0.056 | 0.058 | 0.059 |
| 52                      | 0.061 | 0.062 | 0.064 | 0.066 | 0.067 | 0.069 | 0.071 | 0.072 | 0.074 | 0.076 | 0.077 | 0.079 |
| 53                      | 0.081 | 0.082 | 0.084 | 0.086 | 0.088 | 0.089 | 0.091 | 0.093 | 0.095 | 0.097 | 0.098 | 0.100 |
| 54                      | 0.102 | 0.104 | 0.106 | 0.107 | 0.109 | 0.111 | 0.113 | 0.115 | 0.117 | 0.119 | 0.121 | 0.122 |
| 55                      | 0.123 |       |       |       |       |       |       |       |       |       |       |       |

Notes:

- (1) Amount payable due to deferred PI on pensions from age 55 up to NPA is determined by multiplying the amount of deferred PI at date of retirement by the pension factor shown for age at retirement.
- (2) Amount payable due to deferred PI on lump sum due at 55 is determined by multiplying the member's deferred PI amount due on the lump sum by the lump sum factor shown for age at retirement.



**TABLE CER11 (Table 811 in consolidated factors spreadsheet)**

**NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - MEMBERS OF 1995 SECTION  
Employer costs for a member with NPA 55 leaving on compulsory early retirement  
for members retiring before age 55 with at least one dependent child**

| Age: complete months   | 0     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>PENSION FACTORS</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Complete years:</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| 50                     | 4.677 | 4.603 | 4.528 | 4.453 | 4.378 | 4.303 | 4.228 | 4.153 | 4.078 | 4.003 | 3.928 | 3.854 |
| 51                     | 3.778 | 3.701 | 3.624 | 3.548 | 3.471 | 3.394 | 3.318 | 3.241 | 3.164 | 3.088 | 3.011 | 2.934 |
| 52                     | 2.856 | 2.778 | 2.699 | 2.621 | 2.542 | 2.464 | 2.385 | 2.307 | 2.228 | 2.150 | 2.071 | 1.993 |
| 53                     | 1.913 | 1.833 | 1.752 | 1.672 | 1.591 | 1.511 | 1.431 | 1.350 | 1.270 | 1.189 | 1.109 | 1.028 |
| 54                     | 0.947 | 0.865 | 0.782 | 0.700 | 0.618 | 0.535 | 0.453 | 0.371 | 0.288 | 0.206 | 0.124 | 0.041 |
| 55                     | 0.000 |       |       |       |       |       |       |       |       |       |       |       |

**Notes:**

- (1) Amount payable in respect of that part of the member's pension relating to service rendered before 1<sup>st</sup> January 1993 (female members) or service between 17 May 1990 and 31 December 1992 inclusive (male members) is determined by multiplying the applicable pension by the factor shown for age at retirement
- (2) Pension amounts should be multiplied by factor above before any lump sum commutation option is exercised
- (3) These factors are not suitable for that part of the member's pension where PI is deferred until age 55.





**TABLE CER12 (Table 812 in consolidated factors spreadsheet)**

**NHS PENSION SCHEME for SCOTLAND (NHSPS Scotland) - MEMBERS OF 1995 SECTION**  
**Employer costs for a member with NPA 60 leaving on compulsory early retirement**  
**for members retiring before age 55 with at least one dependent child**

| Age: complete months   | 0     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    | 11    |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>PENSION FACTORS</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Complete years:</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| 50                     | 8.809 | 8.744 | 8.678 | 8.613 | 8.547 | 8.482 | 8.416 | 8.350 | 8.285 | 8.219 | 8.154 | 8.088 |
| 51                     | 8.022 | 7.955 | 7.888 | 7.821 | 7.754 | 7.686 | 7.619 | 7.552 | 7.485 | 7.418 | 7.351 | 7.284 |
| 52                     | 7.216 | 7.147 | 7.078 | 7.010 | 6.941 | 6.872 | 6.803 | 6.735 | 6.666 | 6.597 | 6.529 | 6.460 |
| 53                     | 6.390 | 6.320 | 6.249 | 6.179 | 6.109 | 6.038 | 5.968 | 5.897 | 5.827 | 5.757 | 5.686 | 5.616 |
| 54                     | 5.545 | 5.472 | 5.400 | 5.328 | 5.256 | 5.184 | 5.112 | 5.040 | 4.967 | 4.895 | 4.823 | 4.751 |
| 55                     | 4.715 |       |       |       |       |       |       |       |       |       |       |       |

**Notes:**

- (1) Amount payable in respect of that part of the member's pension relating to service rendered before 1<sup>st</sup> January 1993 (female members) or service between 17 May 1990 and 31 December 1992 inclusive (male members) is determined by multiplying the applicable pension by the factor shown for age at retirement
- (2) Pension amounts should be multiplied by factor above before any lump sum commutation option is exercised
- (3) These factors are not suitable for that part of the member's pension where PI is deferred until age 55



## 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 compulsory early retirement 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 compulsory early retirement 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.