



# The Local Government Pension Scheme (Scotland)

## Summary of the 2020 assumptions used in the actuarial valuation as at 31 March 2020

This report is supplemental to the Advice on assumptions report dated 1 March 2024 and should be read in conjunction with that report. This report contains further details of the 'scheme-set' assumptions to be adopted for the actuarial valuation of the Local Government Pension Scheme Scotland as at 31 March 2020, including sample rates and values. The assumptions adopted at the previous valuation as at 31 March 2017 are set out in our Advice on assumptions report for that valuation, located at the following <https://www.gov.uk/government/publications/public-service-pensions-2016-actuarial-valuation-reports/public-service-pensions-2016-actuarial-valuation-reports>.

### Mortality after retirement

| Baseline mortality            | Standard table | Adjustment |
|-------------------------------|----------------|------------|
| <b>Males</b>                  |                |            |
| Retirements in normal health  | S3NMA_M        | 113%       |
| Current ill-health pensioners | S3IMA          | 148%       |
| Future ill-health pensioners  | S3IMA          | 148%       |
| Dependants                    | S3DMA          | 110%       |
| <b>Females</b>                |                |            |
| Retirements in normal health  | S3NFA_M        | 115%       |
| Current ill-health pensioners | S3IFA          | 159%       |
| Future ill-health pensioners  | S3IFA          | 159%       |
| Dependants                    | S3NFA_H        | 114%       |

### Commutation of pension for cash at retirement

|                          | Pre-2009 service | 2009-2015 service | Post 2015 service |
|--------------------------|------------------|-------------------|-------------------|
| <b>Males and females</b> | 10%              | 22.5%             | 22.5%             |



## Retirement ages

Members joining on or after 1 December 2006, all members not entitled to unreduced benefits before age 65 under the 'Rule of 85', and all members entitled to unreduced benefits between ages 60 and 65 under the 'Rule of 85'

| Age | NPA 65 | NPA 66 | NPA 67 | NPA 68 |
|-----|--------|--------|--------|--------|
| 55  | 0.000  | 0.000  | 0.000  | 0.000  |
| 56  | 0.000  | 0.000  | 0.000  | 0.000  |
| 57  | 0.000  | 0.000  | 0.000  | 0.000  |
| 58  | 0.000  | 0.000  | 0.000  | 0.000  |
| 59  | 0.000  | 0.000  | 0.000  | 0.000  |
| 60  | 0.070  | 0.000  | 0.000  | 0.000  |
| 61  | 0.070  | 0.070  | 0.000  | 0.000  |
| 62  | 0.070  | 0.070  | 0.070  | 0.000  |
| 63  | 0.070  | 0.070  | 0.070  | 0.070  |
| 64  | 0.070  | 0.070  | 0.070  | 0.070  |
| 65  | 1.000  | 0.070  | 0.070  | 0.070  |
| 66  | 1.000  | 1.000  | 0.070  | 0.070  |
| 67  | 1.000  | 1.000  | 1.000  | 0.070  |
| 68  | 1.000  | 1.000  | 1.000  | 1.000  |

## Members entitled to unreduced benefits at age 60 under the rule of 85

| Age | NPA 65 | NPA 66 | NPA 67 | NPA 68 |
|-----|--------|--------|--------|--------|
| 55  | 0.002  | 0.002  | 0.001  | 0.001  |
| 56  | 0.002  | 0.002  | 0.001  | 0.001  |
| 57  | 0.002  | 0.002  | 0.001  | 0.001  |
| 58  | 0.002  | 0.002  | 0.001  | 0.001  |
| 59  | 0.002  | 0.002  | 0.001  | 0.001  |
| 60  | 0.100  | 0.100  | 0.059  | 0.031  |
| 61  | 0.083  | 0.083  | 0.050  | 0.026  |
| 62  | 0.083  | 0.083  | 0.078  | 0.026  |
| 63  | 0.083  | 0.083  | 0.078  | 0.074  |
| 64  | 0.083  | 0.083  | 0.078  | 0.074  |
| 65  | 1.000  | 0.083  | 0.078  | 0.074  |
| 66  | 1.000  | 1.000  | 0.078  | 0.074  |
| 67  | 1.000  | 1.000  | 1.000  | 0.074  |
| 68  | 1.000  | 1.000  | 1.000  | 1.000  |

## Rates of leaving service

| Age | Male % | Female % |
|-----|--------|----------|
| 20  | 12     | 14       |
| 25  | 10     | 10       |
| 30  | 7      | 7        |
| 35  | 5      | 6        |
| 40  | 3      | 4        |
| 45  | 3      | 4        |
| 50  | 2      | 3        |
| 55  | 2      | 3        |
| 60  | 1      | 2        |
| 65  | 1      | 2        |

## Promotional pay increases

| Age | Men and Women |
|-----|---------------|
| 20  | 93            |
| 25  | 93            |
| 30  | 100           |
| 35  | 107           |
| 40  | 109           |
| 45  | 111           |
| 50  | 112           |
| 55  | 112           |
| 60  | 112           |
| 65  | 112           |

\* Relative to an index value of 100 at age 30.

## Rates of ill-health retirement

| Age | Men % | Women % |
|-----|-------|---------|
| 20  | 0.00  | 0.00    |
| 25  | 0.00  | 0.02    |
| 30  | 0.02  | 0.03    |
| 35  | 0.03  | 0.05    |
| 40  | 0.05  | 0.07    |
| 45  | 0.11  | 0.11    |
| 50  | 0.29  | 0.22    |
| 55  | 0.60  | 0.57    |
| 60  | 1.20  | 1.09    |
| 65* | 1.91  | 1.70    |

\*rates are zero if above the NPA of the relevant section

It is assumed that 70% of ill-health retirements qualify for tier 1 benefits and 30% for tier 2 benefits.

## Mortality before retirement

| Age | Men % | Women % |
|-----|-------|---------|
| 20  | 0.02  | 0.01    |
| 25  | 0.02  | 0.01    |
| 30  | 0.03  | 0.02    |
| 35  | 0.03  | 0.03    |
| 40  | 0.06  | 0.04    |
| 45  | 0.09  | 0.07    |
| 50  | 0.15  | 0.10    |
| 55  | 0.23  | 0.14    |
| 60  | 0.42  | 0.28    |
| 65  | 0.72  | 0.48    |

## Family statistics

### Recommended proportion married or partnered at retirement for future pensioners

| Proportion married or partnered at retirement |     |
|---|-----|
| Men   | 80% |
| Women   | 75% |

These are set in line with ONS population projection statistics as per the 2020 LGPS E&W assumptions.

### Recommended proportion married or partnered for current pensioners (at the valuation date)

| Age | Men | Women |
|-----|-----|-------|
| 60  | 80% | 75%   |
| 70  | 78% | 57%   |
| 80  | 64% | 28%   |
| 90  | 36% | 8%    |

## Other assumptions

Men are assumed to be three years older than their partners and women are assumed to be two years younger than their partners.

**1 March 2024**