



Government Actuary's Department

Teachers' Pension Scheme

Actuarial valuation as at 31 March 2012
Report on membership data

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Author: Donal Cormican and Matt Wood



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1 Introduction

- 1.1 This report is addressed to the Department for Education (DfE). This report should not be reproduced or disseminated to other parties without prior consent. The Government Actuary's Department (GAD) does not accept any liability to third parties, whether or not it has agreed to the disclosure.
- 1.2 This report discusses and summarises the membership data provided to GAD to be used for the purposes of the actuarial valuation of the Teachers' Pension Scheme (TPS or 'the Scheme') which is being carried out as at 31 March 2012. It also sets out the checks that GAD has undertaken on this data.
- 1.3 The results of the valuation will be critically dependent on the quality and correctness of the data used. The purpose of this document is to ensure that users of the valuation report understand the issues relating to the data used and in particular those issues that may have a material impact on the valuation result.
- 1.4 Experience data used to inform the assumptions appropriate for the valuation are the subject of a separate report, *Teachers' Pension Scheme: Actuarial Valuation as at 31 March 2012: Report on data used for experience analysis* dated 9 June 2014.
- 1.5 All member data provided and discussed in this report was supplied by Teachers' Pensions (TP), the Scheme's administrators. Annual accounts for the relevant period are publicly available.
- 1.6 In preparing this report, GAD has relied on data and other information supplied by TP as described in the report. Any checks that GAD has made on this data and information are limited to those described in the report, including any checks on the overall reasonableness and consistency of the data. These checks do not represent a full independent audit of the data supplied and do not by themselves confirm or guarantee the overall quality or correctness of the data. In particular, GAD has relied on the general completeness and accuracy of the information supplied without independent verification.
- 1.7 The contents of this report have been discussed and agreed with DfE who has confirmed that it is content that the resulting data is appropriate for use in the 2012 actuarial review of the TPS.
- 1.8 Throughout this report the totals given for summed data may not be exactly the same as the sum of the components shown due to rounding effects.



2 Description of data provided

Individual member data

- 2.1 Individual member data was supplied for all active members, deferred members and current beneficiaries of the Scheme.
- 2.2 The data items provided for each member are set out in Appendix A.
- 2.3 At the time of running the data extracts TP did not hold salary and service information as at 31 March 2012 in respect of 26,657 members, which was due to TP not having received the annual return forms from employers for the 2011-12 Scheme year for these members. TP provided salary and service information for these members at the latest date this information was held on each member's record. This is covered further in Section 4.

Supplementary member data

- 2.4 Data was supplied regarding phased retirements, members' Past Added Years and Additional Pension benefits, and also in respect of pension debits and pension credit members.
- 2.5 The data items provided are set out in Appendix B.

Accounting information

- 2.6 Published annual accounts are available for the full inter-valuation period. These include summaries of the Scheme's membership and membership movements for each accounting period as summarised in Section 3. Certain pieces of financial information from the accounts are used to perform independent checks on the valuation data as explained in Sections 4 and 6.

Benefit information

- 2.7 A summary of the benefits provided to members of the Scheme is shown in Appendix E. The benefits provided in the existing sections of the Scheme are set out in *The Teachers' Pensions Regulations 2010* (SI 2010/990). The benefits provided in the 2015 scheme are set out in *The Teachers' Pension Scheme Regulations 2014* (SI 2014/512).
- 2.8 DfE has confirmed that the only uncertainties that it is aware of about the form of benefits that the Scheme is liable to provide is the potential requirement for sex equalisation of GMPs and the potential requirement for the equalisation of contingent partner's pensions.



3 Reconciliation of membership

- 3.1 This section summarises how the numbers of members have changed since the last completed valuation of the Scheme (carried out as at 31 March 2004). The reconciliation is shown separately for the periods 2004 to 2008 and 2008 to 2012.
- 3.2 The valuation data additions and deductions over the period 2004 to 2008 and number of members as at 31 March 2008 are based on the data received for the uncompleted 2008 valuation of the Scheme.
- 3.3 The valuation data figures on and after 1 April 2008 are based on the data received for the valuation as at 31 March 2012.
- 3.4 The valuation movement data provided between 1 April 2008 and 31 March 2012 has been used for the purposes of analysing the Scheme's experience over this period and is the subject of a separate report, *Teachers' Pension Scheme: Actuarial Valuation as at 31 March 2012: Report on data used for experience analysis* dated 9 June 2014.
- 3.5 The reconciliations show both the movements as provided in valuation data and the corresponding information provided in the Annual Accounts.

Table 3.1: Reconciliation of membership 31 March 2004 to 31 March 2008

	Actives		Deferreds		Pensioners	
	Valuation data (000s)	Accounts (000s)	Valuation data (000s)	Accounts (000s)	Valuation data ⁽ⁱⁱ⁾ (000s)	Accounts (000s)
Number at 31/3/04⁽ⁱ⁾	628	570	357	383	455	461
Additions	386	341	173	172	112	106
Deductions	-275	-245	-185	-141	-47	-46
Adjustments		-79		8		6
Number expected at 31/03/08⁽ⁱⁱⁱ⁾	739	586	345	422	519	527
Data at 2008⁽ⁱⁱⁱ⁾	689	586	395	422	523	527

- (i) The accounts numbers are those stated as at 1 April 2004. These figures include adjustments to the figures disclosed as at 31 March 2004 to allow for the late notification of information after the 31 March 2004 figures had been finalised, and are more comparable with the valuation data.
- (ii) Excludes children's pensions.
- (iii) The accounts numbers are those stated as at 1 April 2008. As for (i), these figures are more comparable with the valuation data.



Table 3.2: Reconciliation of membership 1 April 2008 to 31 March 2012

	Actives		Deferreds		Pensioners	
	Valuation data (000s)	Accounts (000s)	Valuation data (000s)	Accounts (000s)	Valuation data (000s)	Accounts (000s)
Number at 01/04/08	654	586	403	422	523	527
Additions	389	362	199	181	140	135
Deductions	-306	-274	-226	-171	-49	-56
Adjustments		-28		28		12
Number expected at 31/03/12	737	646	376	459	613	618
Data at 2012	691	646	459	459	618	618 ⁽ⁱ⁾

- (i) The pensioner figure is that stated as at 1 April 2012. This figure includes adjustments to the figures disclosed as at 31 March 2012 to allow for the late notification of information after the 31 March 2012 figures had been finalised, and are more comparable with the valuation data.
The active and deferred membership figures as at 1 April 2012 have not been published in the Annual Accounts at the time of writing this report.

Reconciliation of movements data

- 3.6 The above tables show some significant discrepancies between the number of active and deferred members at each valuation date and the number expected based on the movement data. The corresponding figures for the number of pensioners reconcile quite well.
- 3.7 These discrepancies are most likely due to issues with the member movement data received. Information on the issues with the member movement data can be found in our report *Teachers' Pension Scheme: Actuarial Valuation as at 31 March 2012: Report on data used for experience analysis* dated 9 June 2014.

Reconciliation with Annual Accounts

- 3.8 The valuation data records around 691,000 active members as at 31 March 2012 compared with the Annual Accounts which record 646,000 members. The main reason for this discrepancy is due to the allowance for missing 2011-12 annual returns.



- 3.9 TP collect data on active members through a system of annual returns supplying data on all employed members. At the time of running the valuation data forms and disclosing the relevant figures in the accounts TP will not have received an annual return form for the relevant year for a significant number of members. As the valuation data forms and membership figures for the accounts have been produced at different times, this issue will affect both sources to a different extent.
- 3.10 The valuation data includes those members for whom a 2011-12 annual return had not been received at the time of extracting the valuation data. TP advised how many members were missing a 2011-12 annual return form and provided the latest salary and service information held for these members. Further information is provided in Section 4.
- 3.11 Where TP had not received a 2011-12 annual return for a member at the time of producing the membership statistics for the Annual Accounts, the member has been excluded from the number of active members as at 31 March 2012. The number of deferred and pensioner members as at 31 March 2012 recorded in the valuation data matches the figures stated in the Annual Accounts.



4 Active member data

Introduction

- 4.1 This section summarises the data provided for active members for the purposes of this valuation. It also summarises the checks and adjustments we have made to the data and shows summary statistics about the data following implementation of the required data adjustments.
- 4.2 TP provided data as at 31 March 2012 for 664,825 active members. A summary of this data is set out in paragraph 4.6.
- 4.3 At the time of running the data extracts TP did not hold salary and service information as at 31 March 2012 in respect of 26,657 members, which was due to TP not having received the annual return forms from employers for the 2011-12 Scheme year for these members. TP has provided the salary and service details at the latest available date for each of these members, and this is covered further in paragraphs 4.7 - 4.13.
- 4.4 Under the terms of the reforms being made to public service pension schemes from 2015 members within a certain period prior to their current normal pension age will remain in their existing schemes until retirement. These members are termed 'Full Protection Members'. Members just outside this age range will transfer to the 2015 schemes between 1 April 2015 and 31 March 2022. These members are termed 'Tapered Protection Members'. The detail of those covered by Full Protection and Tapered Protection is set out in Appendix C. All other members are termed 'Unprotected Members'. Since the benefits to be provided for members after 1 April 2015 will depend on which group they fall within we have identified those members within each group.
- 4.5 The active member data used will help determine the past service liability, the contribution rate payable from 2015 and the employer cost cap.

Active data provided as at 31 March 2012 ("Main Active Extract")

- 4.6 TP provided data covering 664,825 active members as at 31 March 2012. The data provided is summarised below.

Table 4.1: Main Active Extract data summary as at 31 March 2012

Gender	Number of members (000s)	Total pensionable pay ⁽ⁱ⁾ (£m)	Average age ⁽ⁱⁱⁱ⁾ (years)	Average reckonable service ⁽ⁱⁱ⁾ (years)	Total accrued pension (£m)
Male	194	7,708	45.2	14.1	1,374
Female	471	17,138	43.3	11.8	2,560
Total	665	24,845	43.9	12.5	3,934

(i) The pay shown is full-time equivalent (FTE) pay as at 31 March 2012

(ii) Weighted by FTE pay



Active data provided for members for whom a 2011-12 annual return had not been received

- 4.7 TP collect data on active members through a system of annual returns supplying data on all employed members. They should also receive notification from employers whenever a member leaves service. Thus TP should receive a withdrawal (or retirement or death) notification for any member included on the annual return one year who is not included in the annual return next year.
- 4.8 As stated in paragraph 4.3, at the time of running the extracts TP had not received an annual return form in respect of the 2011-12 Scheme year for 26,657 members, nor had they received a withdrawal notification. The status of these members is uncertain.
- 4.9 For these members TP provided another extract which contained the same key information as the Main Active Extract, but with salary, reckonable service and the proportion of full-time hours worked for each member provided as at the date the latest salary information is held on a member's record.
- 4.10 For 132 members, the latest salary information provided is at a date before 31 March 2011. We have assumed these members have left active service and are deferred members as at 31 March 2012. These members were not included in the deferred extract, and therefore an adjustment needs to be made to the deferred data used. This is covered further in Section 5.
- 4.11 For the remaining 26,525 members, the latest salary information is as at 31 March 2011 or between 31 March 2011 and 31 March 2012. We have assumed these members are still in active service on 31 March 2012, as a similar group existed in the 2008 valuation data extract and following receipt of the relevant annual return it was discovered that around 95% of the members were still in active service on the valuation date without any apparent gap in service. The data for the 26,525 members needs to be included in the active data used, and as the data in respect of these members is on a date before 31 March 2012, we need to project the data forward to 31 March 2012.
- Full-time equivalent salaries were projected forward allowing for any promotional pay increases which may have been awarded. (No general pay increase was awarded in September 2011.) Promotional pay increases were assumed to be in line with the scale proposed for the uncompleted 2008 valuation, as set out in our report *Teachers' Pension Scheme: Actuarial review as at 31 March 2008 – Advice in relation to the Actuarial Assumptions and Methodology to be adopted* dated August 2010.
 - Reckonable service has been projected forward to 31 March 2012 assuming a member has been in employment for the whole period between the date as at which the data has been provided and 31 March 2012, working the same proportion of full-time hours throughout this period as provided in the data.



- 4.12 The method used to estimate the data as at 31 March 2012 for this group of members is set out above. However, the members' actual data may be different from that estimated, which may impact the Scheme's contribution rate. For example, some members may have left service before 31 March 2012. If it was found that 20% of this group had withdrawn, these members should be included in the deferred data instead, which would increase the Scheme's contribution rate by around 0.1%. The impact on the employer cost cap would be immaterial.
- 4.13 A summary of the data provided, and the projected data, for these members is set out below:

Table 4.2: Members for whom a 2011-12 annual return had not been received – data as at date latest information is available

Gender	Number of members (000s)	As at date provided			
		Total pensionable pay ⁽ⁱ⁾ (£m)	Average age ⁽ⁱⁱ⁾ (years)	Average reckonable service ⁽ⁱⁱ⁾ (years)	Total accrued pension (£m)
Male	7	255	44.3	10.6	34
Female	20	676	42.4	9.4	81
Total	27	931	42.9	9.7	115

Table 4.3: Members for whom a 2011-12 annual return had not been received – projected data as at 31 March 2012

Gender	Number of members (000s)	As at 31 March 2012			
		Total pensionable pay ⁽ⁱ⁾ (£m)	Average age ⁽ⁱⁱ⁾ (years)	Average reckonable service ⁽ⁱⁱ⁾ (years)	Total accrued pension (£m)
Male	7	258	45.2	11.4	37
Female	20	686	43.3	10.2	89
Total	27	944	43.8	10.5	127

- (i) The pay shown is full-time equivalent (FTE) pay
(ii) Weighted by FTE pay

Combined data

- 4.14 The data as at 31 March 2012 summarised in paragraph 4.13 has been added to the Main Active Extract, as summarised in paragraph 4.6, to provide a combined active data extract as at 31 March 2012. A summary of the combined data as at 31 March 2012 is set out below:



Table 4.4: All actives members data summary as at 31 March 2012

Gender	Number of members (000s)	Total pensionable pay⁽ⁱ⁾ (£m)	Average age⁽ⁱⁱ⁾ (years)	Average reckonable Service⁽ⁱⁱ⁾ (years)	Total accrued pension (£m)
Male	201	7,966	45.2	14.0	1,411
Female	490	17,824	43.3	11.7	2,650
Total	691	25,790	43.9	12.4	4,061

(i) The pay shown is full-time equivalent (FTE) pay.

(ii) Weighted by FTE pay

Checks applied to active member data

- 4.15 All data provided was checked against the specification requested for both completeness and consistency.
- 4.16 Reasonableness checks were carried out on the active data. These included reasonableness checks on each individual member's salary, age, service and part-time proportion. From these checks, no significant errors were found with the data provided.
- 4.17 The combined dataset was also compared against the previous valuation dataset as at 31 March 2004 and the data provided for the uncompleted 2008 valuation to ensure that there were no unrealistic changes over the periods, e.g. in average age or average service. Appendix D (a) compares the active member data as at 31 March 2012 with that as at 31 March 2004.

Checks against the accounts

- 4.18 The combined dataset was then subjected to an independent check using accounting data. The total pensionable payroll in the data was compared against contribution payments recorded in the annual accounts. The conclusions arising from this checking process are explained below.
- 4.19 Employer contributions reported in the 2011-12 annual accounts amounted to £3.29bn and reported in the 2012-13 annual accounts amounted to £3.27bn. As employer contributions were payable at the rate of 14.1% of pay an estimate of the actual payroll for 2011-12 is £23.35bn and for 2012-13 is £23.20bn. Taking the average of these figures, we estimate the actual payroll as at 31 March 2012 to be £23.28bn.
- 4.20 The estimated payroll in paragraph 4.19 implied by the contributions data in the accounts relates to actual salaries in payment. The valuation data records full-time equivalent salaries but, for comparison with the accounts, the actual salary rates (be they full-time or part-time) of members in service at 31 March 2012 are required.



- 4.21 The valuation data provides for each member the proportion of full-time hours worked as at 31 March 2012 (or at the date a member's salary is provided for members for whom a 2011-12 annual return had not been received). Using this data we estimate the actual salary rate for part-time members as at 31 March 2012 to be £3.28bn. Adding this to the total salary of £19.37bn in respect of full-time members, we estimate the total actual salary underlying the valuation data to be £22.65bn.
- 4.22 There is a difference of approximately 2.8% between the salary roll derived from the valuation data (£22.65bn) and that derived from the accounts (£23.28bn).
- 4.23 The discrepancy between the two estimates of salary roll could be the result of members being excluded from the valuation data and/or the understatement of salaries.

Adjustments to be applied to the active data

- 4.24 As outlined in paragraphs 4.7 to 4.13, the active data provided in respect of those members for whom a 2011-12 annual return had not been received has been projected forward to 31 March 2012. We have assumed all of these members are in active service on 31 March 2012. If it was found that 20% of this group had withdrawn, these members should be included in the deferred data instead, which would increase the Scheme's contribution rate by around 0.1%. The impact on the employer cost cap would be immaterial.
- 4.25 The salaries for active members in the combined data extract will be increased by 2.8% to allow for the difference in the salary roll derived from the valuation data and that derived from the accounts, as described in paragraphs 4.18 to 4.23.
- 4.26 Paragraph 4.23 sets out the possible reasons for the discrepancy between the actual salary rolls implied by the valuation data and from the accounts, although we do not know the actual reason for the discrepancy. If, for example, it is due to missing members, we do not have any information regarding these members other than estimated total salaries as at 31 March 2012.
- 4.27 If the missing members have the same characteristics on average as the members we do have data for, then our rate up method introduces very little error into the calculation of the contribution rate and the employer cost cap but this may not be the case. To give some indication of the possible error:
- If the missing salaries belong to members with 20% more service than the average member for the data provided, the contribution rate may be understated by around 0.1%. There would be no impact on the employer cost cap
 - If the missing members are five years older on average than the average member for the data provided, then the contribution rate and the employer cost cap are likely to be understated by less than 0.1%.



Data summaries

4.28 The final data to be used in the valuation, allowing for the adjustments set out above, and broken into the groups identified in paragraph 4.4, is summarised below. A summary has also been included in Appendix D.

Table 4.5: NPA 60 final data

Protection	Gender	Number of members (000s)	Total pensionable pay ⁽ⁱ⁾ (£m)	Average age ⁽ⁱⁱ⁾	Average reckonable service ⁽ⁱⁱ⁾ (years)	Total accrued pension (£m)
Full Protection	Male	58	2,699	56.5	23.5	792
	Female	124	5,292	56.2	19.8	1,311
	Total	182	7,991	56.3	21.0	2,102
Tapered Protection	Male	16	719	48.2	17.5	157
	Female	34	1,428	48.2	15.5	277
	Total	50	2,146	48.2	16.2	435
Unprotected	Male	67	2,934	38.7	11.6	425
	Female	180	7,178	37.6	10.4	937
	Total	247	10,112	37.9	10.8	1,362
All NPA 60 members	Male	140	6,352	47.3	17.3	1,374
	Female	338	13,898	45.7	14.5	2,525
	Total	478	20,250	46.2	15.4	3,899

Table 4.6: NPA 65 final data

Protection	Gender	Number of members (000s)	Total pensionable pay ⁽ⁱ⁾ (£m)	Average age ⁽ⁱⁱ⁾	Average reckonable service ⁽ⁱⁱ⁾ (years)	Total accrued pension (£m)
Full Protection	Male	4	141	60.2	1.8	4
	Female	5	165	59.4	1.5	4
	Total	10	306	59.7	1.6	8
Tapered Protection	Male	2	80	53.1	2.0	3
	Female	4	135	53.1	1.9	4
	Total	7	215	53.1	1.9	7
Unprotected	Male	50	1,484	34.0	2.2	55
	Female	127	3,579	32.6	2.3	136
	Total	177	5,063	33.0	2.3	191
All NPA 65 members	Male	57	1,705	37.1	2.2	62
	Female	137	3,879	34.5	2.2	145
	Total	194	5,584	35.3	2.2	207

(i) The pay shown is full-time equivalent (FTE) pay

(ii) Weighted by FTE pay



Table 4.7: Mixed service final data

Protection	Gender	Number of members (000s)	Total pensionable pay ⁽ⁱ⁾ (£m)	Average age ⁽ⁱⁱ⁾	Average reckonable service ⁽ⁱⁱ⁾ (years)	Total accrued pension (£m)
Full Protection	Male	1	25	59.3	11.8	4
	Female	2	71	58.6	9.5	9
	Total	3	96	58.8	10.1	13
Tapered Protection	Male	0.4	15	53.2	11.0	2
	Female	1	49	53.2	9.2	6
	Total	2	64	53.2	9.7	8
Unprotected	Male	2	90	41.1	6.5	8
	Female	12	419	41.7	6.7	38
	Total	14	509	41.6	6.6	47
All mixed service members	Male	3	130	46.0	8.0	14
	Female	15	539	45.0	7.3	53
	Total	19	669	45.2	7.4	68

Table 4.8: All Members final data

Protection	Gender	Number of members (000s)	Total pensionable pay ⁽ⁱ⁾ (£m)	Average age ⁽ⁱⁱ⁾	Average reckonable service ⁽ⁱⁱ⁾ (years)	Total accrued pension (£m)
Full Protection	Male	63	2,865	56.7	22.3	800
	Female	132	5,528	56.3	19.1	1,324
	Total	195	8,393	56.4	20.2	2,123
Tapered Protection	Male	18	813	48.8	15.9	162
	Female	40	1,613	48.8	14.2	288
	Total	58	2,425	48.8	14.8	450
Unprotected	Male	120	4,508	37.2	8.4	488
	Female	319	11,175	36.1	7.7	1,111
	Total	439	15,684	36.4	7.9	1,600
All members	Male	201	8,186	45.2	14.0	1,450
	Female	490	18,316	43.3	11.7	2,723
	Total	691	26,502	43.9	12.4 ⁽ⁱⁱⁱ⁾	4,173

- (i) The pay shown is full-time equivalent (FTE) pay
(ii) Weighted by FTE pay
(iii) Equivalent unweighted average service is 10.8 years.



5 Deferred member data

Introduction

- 5.1 This section summarises the data provided for deferred members of the Scheme for the purposes of this valuation. It also summarises the checks and adjustments we have made to the data and shows summary statistics about the data following implementation of the required data adjustments.
- 5.2 TP provided data as at 31 March 2012 for 459,177 deferred members. A summary of this data is set out in paragraph 5.4.
- 5.3 As described in paragraph 4.10, we have assumed some of the data provided in the active data extracts actually relates to deferred members, and this is covered further in paragraph 5.5.

Summary of deferred member data provided

- 5.4 TP provided a dataset covering 459,177 deferred members, which is summarised below:

Table 5.1: Deferred extract data summary as at 31 March 2012

Gender	Number of members (000s)	Total deferred pension ⁽ⁱ⁾ (£m)	Average age ⁽ⁱⁱ⁾
Male	138	345	52.1
Female	322	651	50.0
Total	459	996	50.7

- (i) Including pension increases awarded to the valuation date (excludes 1 April 2012 increase)
- (ii) Weighted by deferred pension

Data provided in active extract for members assumed to be deferred

- 5.5 As discussed in paragraph 4.10, the data provided for active members included some members who we have assumed are deferred as at 31 March 2012. The data provided the salary and service details as at the latest date at which a salary was recorded for each member. We have assumed each member left service on this date and calculated their deferred pension entitlement using the data provided. Each member's deferred pension has been projected to 31 March 2012 in line with deferred pension increases awarded over the period. A summary of the data provided, and the projected data as at 31 March 2012 is shown below.



Table 5.2: Members in active extract assumed to be deferred as at 31 March 2012

Gender	Number of members	As at date provided		As at 31 March 2012	
		Total deferred pension (£m)	Average age ⁽ⁱⁱ⁾	Total deferred pension ⁽ⁱ⁾ (£m)	Average age ⁽ⁱⁱ⁾
Male	31	0.02	51.0	0.02	55.3
Female	101	0.16	51.2	0.20	56.8
Total	132	0.18	51.2	0.22	56.7

- (i) Including pension increases awarded to the valuation date (excludes 1 April 2012 increase)
(ii) Weighted by deferred pension

5.6 The data used in the valuation may not accurately reflect each member's actual benefits in the Scheme as at 31 March 2012, as it has been calculated by projecting forward data held at an earlier date. However, as we have had to estimate the data for only 132 members this will not have a material impact on the contribution rate. It will have no impact on the employer cost cap.

Combined data

5.7 The data as at 31 March 2012 summarised in Table 5.2 has been added to the deferred data extract, which has been summarised in Table 5.1, to provide a combined deferred data extract as at 31 March 2012. An overall summary of the combined data as at 31 March 2012 is set out below:

Table 5.3: Combined deferred data summary as at 31 March 2012

Gender	Number of members (000s)	Total deferred pension ⁽ⁱ⁾ (£m)	Average age ⁽ⁱⁱ⁾
Male	138	345	52.1
Female	322	651	50.0
Total	459	996	50.7

- (i) Including pension increases awarded to the valuation date (excludes 1 April 2012 increase)
(ii) Weighted by deferred pension

Checks applied to deferred member data

5.8 All data provided was checked against the specification requested for both completeness and consistency.



- 5.9 Reasonableness checks were carried out on the deferred data. These included reasonableness checks on each individual member's deferred pension and their age at 31 March 2012. From these checks no significant errors were found with the data provided.
- 5.10 The dataset was also compared against the previous valuation dataset as at 31 March 2004 and that provided for the uncompleted 2008 valuation to ensure that there were no unrealistic changes over the periods, e.g. in average age or average deferred pension. Appendix D (b) compares the deferred member data as at 31 March 2012 with that as at 31 March 2004.

Independent checks on the deferred data

- 5.11 We do not have a data source to perform an independent check on the deferred data provided. For active and pensioner categories, the contributions received and pensions paid detailed in the Scheme's annual accounts are used to perform an independent check on the data for these categories. There is no data item in the annual accounts which can be used to perform a similar check on the accuracy of the total deferred pensions for the deferred category.
- 5.12 Tables 3.1 and 3.2 in section 3 showed there is a poor reconciliation between the total number of deferred members as at 31 March 2004 and 31 March 2012, based on the membership movement data provided between these dates. In our view, the poor reconciliation is most likely due to issues with the membership movement data provided but there is a possibility that this could partly be explained due to errors in the valuation data provided for the valuation calculations. The lack of an independent check on the deferred pension roll data makes it more difficult to assess if this is the case.
- 5.13 This creates some uncertainty over the total number of deferred members in the valuation data provided. If for example, 46,000 deferred members (10% of the current deferred population), should instead be included in the active valuation data then the employer contribution rate may be overstated by around 0.6% (as any missing active members have already been allowed for in the 2.8% salary uplift applied to the active data). The estimated impact on the employer cost cap would be less than 0.1%.

Deferred members over 70

- 5.14 Of the total 459,309 members, 74,609 members with deferred pensions of around £17m a year are over 70 on 31 March 2012. We have excluded these members from the deferred data as DfE consider it unlikely that they will claim their benefits. If these members were included, we estimate this would increase the contribution rate by around 0.2%. There would be no impact on the employer cost cap.



Deferred members between NPA and 70

- 5.15 60,602 members with deferred pensions of around £67m a year are aged between their NPA and age 70 on 31 March 2012. Analysis of recent experience in the Scheme suggests there is only a small chance these members will claim their benefits. DfE has decided it should be assumed that half of these members will never claim their benefits for the purposes of the 2012 actuarial valuation and should therefore be excluded from the valuation calculations. The members to be excluded are spread evenly across this group of members rather than assuming different assumptions for different types of members. If these members were included, we estimate this would increase the contribution rate by around 0.3%. There would be no impact on the employer cost cap.

Data summaries

- 5.16 The final data to be used in the valuation, which excludes those members over age 70 and half of those members aged between NPA and 70, is summarised below and is also set out in Appendix D.

Table 5.4: NPA 60 final data

Gender	Number of members (000s)	Total deferred pension ⁽ⁱ⁾ (£m)	Average age ^(m)
Male	84	310	51.4
Female	197	591	49.5
Total	281	901	50.2

Table 5.5: NPA 65 final data

Gender	Number of members (000s)	Total deferred pension ⁽ⁱ⁾ (£m)	Average age ^(m)
Male	23	10	38.3
Female	45	19	35.7
Total	68	29	36.6

Table 5.6: Mixed service final data

Gender	Number of members (000s)	Total deferred pension ⁽ⁱ⁾ (£m)	Average age ^(m)
Male	1	4	51.0
Female	4	11	48.5
Total	6	15	49.2



Table 5.7: All Members final data

Gender	Number of members (000s)	Total deferred pension⁽ⁱ⁾ (£m)	Average age⁽ⁱⁱ⁾
Male	108	324	51.0
Female	246	621	49.0
Total	354	945	49.7

(i) Including pension increases awarded to the valuation date (excludes 1 April 2012 increase)

(ii) Weighted by deferred pension



6 Pensioners and dependants

Introduction

- 6.1 This section summarises the data provided for pensioner members and dependants for the purposes of this valuation. It also summarises the checks we have made to the data.
- 6.2 TP provided a dataset covering 618,409 current beneficiaries.

Summary of pensioner data

- 6.3 The data provided is summarised below.

Table 6.1: Pensioner and Dependant data summary as at 31 March 2012

Type of pensioner	Gender	Number of members (000s)	Total pension ⁽ⁱ⁾ (£m)	Average age ⁽ⁱⁱ⁾
Age, ARB⁽ⁱⁱⁱ⁾ and premature retirement	Male	180	2,448	70.2
	Female	299	2,786	69.9
	Total	478	5,235	70.0
Ill-health retirement	Male	30	413	67.4
	Female	49	525	68.3
	Total	79	938	67.9
Dependants^(iv)	Male	13	31	63.1
	Female	49	204	75.1
	Total	61	235	73.5
All	Male	222	2,893	69.7
	Female	396	3,515	69.9
	Total	618	6,408	69.8

- (i) Including pension increases awarded to the valuation date (excludes 1 April 2012 increase)
- (ii) Weighted by pension
- (iii) Actuarially Reduced Benefits
- (iv) Includes pension credit members

Checks applied to pensioner data

- 6.4 All data provided was checked against the specification requested for both completeness and consistency.
- 6.5 Reasonableness checks were carried out on the pensioner data. These included reasonableness checks on each individual member's pension, their age at 31 March 2012 and each individual member's contingent spouse's pension. From these checks no significant errors were found with the data provided.



- 6.6 The dataset was also compared against the previous valuation dataset as at 31 March 2004 and the data provided for the uncompleted 2008 valuation to ensure that there were no unrealistic changes over the periods. Appendix D (c) compares the pensioner data as at 31 March 2012 with that as at 31 March 2004.

Checks against the accounts

- 6.7 The dataset was then subjected to an independent check using accounting data. The total pensioner payroll in the data was compared against total pensions paid as recorded in the Annual Accounts. The conclusions arising from this checking process are explained below.
- 6.8 Total pensions paid to pensioners in the 2011-12 Scheme year amounted to £6.28bn and total pensions paid in the 2012-13 Scheme year amounted to £6.88bn. Taking the average of these pension rolls, after adjusting the 2012-13 pension roll to allow for the pension increase of 5.2% awarded on 9 April 2012, we estimate the actual pension payroll as at 31 March 2012 to be £6.41bn (excluding the 9 April 2012 pension increase).
- 6.9 The pension roll from the valuation data (£6.41bn) matches the estimated pension roll calculated using the information from the Scheme's accounts (£6.41bn), verifying the accuracy of the pensioner member valuation data.

Summary of data used

- 6.10 A summary of the final data used is set out in Table 6.1 above and is also included in Appendix D.



Appendix A: Individual member data items

A.1 The data items provided for each individual member are set out below.

Active members

- Date of birth
 - Gender
 - Section (NPA60 / NPA65 / Mixed service)
 - NPA 60 reckonable service for member benefits as at 31 March 2012*
 - NPA 60 reckonable service for family benefits as at 31 March 2012*
 - NPA 65 reckonable service for member benefits as at 31 March 2012*
 - Full-time equivalent salary as at 31 March 2012*
 - Proportion of full-time hours worked as at 31 March 2012*
- * for members for whom no 2011-12 annual return received, as at date latest salary is recorded*

Deferred members

- Date of birth
- Gender
- Section (NPA60 / NPA65 / Mixed service)
- NPA 60 reckonable service for member benefits as at 31 March 2012
- NPA 60 reckonable service for family benefits as at 31 March 2012
- NPA 65 reckonable service for member benefits as at 31 March 2012
- Potential NPA60 entitlement for member revalued to 31 March 2012
- Potential NPA60 entitlement for spouse/partner revalued to 31 March 2012
- Potential NPA65 entitlement for member revalued to 31 March 2012

Pensioner members

- Date of birth
- Gender
- Status (Member / Spouse / Dependant / Child)
- Reason for retirement (Age / Actuarially reduced benefits / Infirmity / Premature retirement)
- Basic pension as at 31 March 2012
- Pension increases as at 31 March 2012
- Total pension as at 31 March 2012
- Pre 88 GMP as at 31 March 2012
- Post 88 GMP as at 31 March 2012
- Full potential contingent spouse's pension as at 31 March 2012



Appendix B: Supplementary member data items

Phased retirement pensioner data

- B1. The reckonable service data provided for active members does not exclude any service a member may have already taken due to phased retirement but the pensioner data provided does include phased retirement pensions that were in payment on 31 March 2012. A separate extract was provided detailing the phased retirement pensions in payment, which is used to adjust the active past service liability calculated using the individual active member data provided.
- B2. The following data items were provided for each individual phased retirement pensioner as at 31 March 2012:
- Unique identifier
 - Date of birth
 - Gender
 - Date Phased retirement started
 - Basic pension as at 31 March 2012
 - Pension increases as at 31 March 2012
 - Total pension in payment as at 31 March 2012

Pension credit members and pension debits

- B3. The following data items were provided for pension credit members. The data was provided separately for males and females and was grouped by age.
- Number of pension credit members
 - Pension credit amount
- B4. The following data items were provided for those members with a pension debit. The data was provided separately for males and females and was grouped by age.
- Number of pension debit members
 - Member's pension debit amount
 - Widow's or widower's pension debit amount



Past Added Years (PAY)

- B5. The reckonable service information provided in the individual active data includes the PAY service the member had applied to purchase, not what PAY service they had paid for at the valuation date. The additional data provided in respect of future PAY contribution payments is used to adjust the active past service liability calculated using the individual active member data provided.
- B6. The following data items were provided in respect of PAY contributions. Separate forms were provided for males and females, and the data is grouped by age.

PAY contribution payments:

- Regular contributions – Number of members
- Regular contributions – Annual rate of contributions
- Regular contributions – Total payable in future
- Lump sum contributions – Number of members
- Lump sum contributions – Total paid

Additional Pension

- B7. Data forms were provided detailing the Additional Pension members have elected to purchase in the Scheme and the outstanding contributions required to purchase the full election. Separate forms were provided in respect of males and females. The data is grouped by age. The following data was provided.

Additional Pension entitlement:

- Number of members
- Total member entitlement including pension increases
- Total dependant's entitlement including pension increases

Additional Pension contribution payments:

- Instalments – Number of elections
- Instalments – Annual rate of contributions
- Instalments – Total payable in future
- Lump sum – Number of members
- Lump sum – Total paid



Appendix C: Protection and member categories

Transitional protection will be provided to those within 13½ years of their NPA on 1 April 2012, as described below.

Full Protection Members

All active members who, as of 1 April 2012, have 10 years or less to their current Normal Pension Age (i.e. NPA 60 section members who are aged 50 and over on 1 April 2012, and NPA 65 and Mixed Service section members who are aged 55 or over on 1 April 2012) will see no change in when they can retire, nor any decrease in the amount of pension they receive at their current Normal Pension Age. This protection will be achieved by the member remaining in their current scheme until they retire.

Tapered Protection Members

Active members who, as of 1 April 2012, are between 10 and 13½ years of their Normal Pension Age (i.e. NPA 60 section members who are aged between 46½ and 50 on 1 April 2012, and NPA 65 and Mixed Service section members who are aged between 51½ and 55 on 1 April 2012) will have limited protection with linear tapering so that for every month of age that they are beyond 10 years from their Normal Pension Age, they lose 2 months of protection. At the end of the protected period, they will be transferred into the new pension arrangements.

Unprotected Members

Those active members who, as of 1 April 2012, have 13½ years or more to their current Normal Pension Age (i.e. NPA 60 section members who are aged 46½ and under, and NPA 65 and Mixed Service section members who are aged 51½ and under on 1 April 2012) will all move to the reformed scheme from 1 April 2015.



Appendix D: Comparison of membership at 31 March 2004 and 31 March 2012

a) Actives

NPA 60

	2004						2012					
	Number of members (000s)	Total pensionable pay (i) (£m)	Average pensionable pay (£)	Average age (ii) (years)	Average reckonable service (ii) (years)	Average accrued pension (£)	Number of members (000s)	Total pensionable pay (i) (£m)	Average pensionable pay (£)	Average age (ii) (years)	Average reckonable service (ii) (years)	Average accrued pension (£)
Male	200	6,687	33,463	46.0	16.73	6,997	140	6,352	45,236	47.3	17.30	9,782
Female	429	12,883	30,056	43.9	12.42	4,666	338	13,898	41,120	45.7	14.53	7,471
Total	628	19,569	31,139	44.6	13.89	5,407	478	20,250	42,328	46.2	15.40	8,149

NPA 65

	2004						2012					
	Number of members (000s)	Total pensionable pay (i) (£m)	Average pensionable pay (£)	Average age (ii) (years)	Average reckonable service (ii) (years)	Average accrued pension (£)	Number of members (000s)	Total pensionable pay (i) (£m)	Average pensionable pay (£)	Average age (ii) (years)	Average reckonable service (ii) (years)	Average accrued pension (£)
Male	-	-	-	-	-	-	57	1,705	29,769	37.1	2.19	1,087
Female	-	-	-	-	-	-	137	3,879	28,333	34.5	2.24	1,056
Total	-	-	-	-	-	-	194	5,584	28,756	35.3	2.22	1,065

(i) The pay shown is full-time equivalent (FTE) pay

(ii) Weighted by FTE pay



Mixed Service

2004							2012					
Number of members (000s)	Total pensionable pay (i) (£m)	Average pensionable pay (£)	Average age (ii) (years)	Average reckonable service (ii) (years)	Average accrued pension (£)		Number of members (000s)	Total pensionable pay (i) (£m)	Average pensionable pay (£)	Average age (ii) (years)	Average reckonable service (ii) (years)	Average accrued pension (£)
Male	-	-	-	-	-		3	130	38,078	46.0	8.04	4,250
Female	-	-	-	-	-		15	539	35,062	45.0	7.28	3,458
Total	-	-	-	-	-		19	669	35,608	45.2	7.43	3,601

All members

2004							2012					
Number of members (000s)	Total pensionable pay (i) (£m)	Average pensionable pay (£)	Average age (ii) (years)	Average reckonable service (ii) (years)	Average accrued pension (£)		Number of members (000s)	Total pensionable pay (i) (£m)	Average pensionable pay (£)	Average age (ii) (years)	Average reckonable service (ii) (years)	Average accrued pension (£)
Male	200	6,687	33,463	46.0	16.73	6,997	201	8,186	40,710	45.2	14.01	7,212
Female	429	12,883	30,056	43.9	12.42	4,666	490	18,316	37,359	43.3	11.72	5,554
Total	628	19,569	31,139	44.6	13.89	5,407	691	26,502	38,334	43.9	12.42	6,036

(i) The pay shown is full-time equivalent (FTE) pay

(ii) Weighted by FTE pay



b) Deferreds

NPA 60

	2004				2012			
	Number of members (000s) (i)	Total deferred pension (ii) (£m)	Average pension (£)	Average age (iv) (years)	Number of members (000s) (i)	Total deferred pension (iii) (£m)	Average pension (£)	Average age (iv) (years)
Male	89	212	2,378	51.2	84	310	3,693	51.4
Female	217	387	1,784	48.4	197	591	3,003	49.5
Total	306	599	1,957	49.4	281	901	3,209	50.2

NPA 65

	2004				2012			
	Number of members (000s) (i)	Total deferred pension (ii) (£m)	Average pension (£)	Average age (iv) (years)	Number of members (000s) (i)	Total deferred pension (iii) (£m)	Average pension (£)	Average age (iv) (years)
Male	-	-	-	-	23	10	419	38.3
Female	-	-	-	-	45	19	433	35.7
Total	-	-	-	-	68	29	429	36.6

(i) Excludes members over NPA considered unlikely to claim their pensions

(ii) 2004 pension amounts exclude increase granted on 12 April 2004

(iii) 2012 pension amounts exclude increase granted on 9 April 2012

(iv) Weighted by deferred pension



Mixed Service

	2004				2012			
	Number of members (i) (000s)	Total deferred pension (ii)* (£m)	Average pension (£)	Average age (iv) (years)	Number of members (000s) (i)	Total deferred pension (iii) (£m)	Average pension (£)	Average age (iv) (years)
Male	-	-	-	-	1	4	2,949	51.0
Female	-	-	-	-	4	11	2,507	48.5
Total	-	-	-	-	6	15	2,611	49.2

All members

	2004				2012			
	Number of members (000s) (i)	Total deferred pension (ii) (£m)	Average pension (£)	Average age (iv) (years)	Number of members (000s) (i)	Total deferred pension (iii) (£m)	Average pension (£)	Average age (iv) (years)
Male	89	212	2,378	51.2	108	324	2,987	51.0
Female	217	387	1,784	48.4	246	621	2,525	49.0
Total	306	599	1,957	49.4	354	945	2,666	49.7

(i) Excludes members over NPA considered unlikely to claim their pensions. The 2012 figures in the tables above exclude, in total, 74,609 members who are over age 70 and 30,301 members who are aged between NPA and 70 at the valuation date.

(ii) 2004 pension amounts exclude increase granted on 12 April 2004

(iii) 2012 pension amounts exclude increase granted on 9 April 2012

(iv) Weighted by pension



(c) Pensioners

Type of benefit		2004				2012			
		Number (000s)	Total pension (ii) (£m)	Average pension (£)	Average age (i) (years)	Number (000s)	Total pension (iii) (£m)	Average pension (£)	Average age (i) (years)
Age, ARB (iv) and Premature retirement	Male	136	1,404	10,311	69.7	180	2,448	13,620	70.2
	Female	199	1,399	7,041	70.5	299	2,786	9,329	69.9
	Total	335	2,803	8,371	70.0	478	5,235	10,942	70.0
Ill-health retirement	Male	31	327	10,670	61.4	30	413	13,853	67.4
	Female	49	407	8,358	62.4	49	525	10,767	68.3
	Total	79	734	9,251	61.9	79	938	11,938	67.9
Spouses and other dependants	Male	5	9	1,765	62.1	13	31	2,441	63.1
	Female	35	111	3,160	72.8	49	204	4,187	75.1
	Total	40	121	2,981	72.0	61	235	3,826	73.5
All	Male	172	1,740	10,118	68.1	222	2,893	13,013	69.7
	Female	282	1,918	6,784	68.9	396	3,515	8,874	69.9
	Total	455	3,658	8,045	68.5	618	6,408	10,362	69.8

(i) Weighted by pension

(ii) 2004 pension amounts exclude increase granted on 12 April 2004

(iii) 2012 pension amounts exclude increase granted on 9 April 2012

(iv) Actuarially reduced benefits



Appendix E: Summary of Scheme benefits

Table E1 – Members who joined the scheme prior to 1 January 2007 (NPA60 section)

1.	Normal Pension Age (NPA)	60
2.	Pensionable Pay (PP)	Basic pay plus pensionable allowances
3.	Final Pensionable Pay (FPP)	Better of a) last 12 months' pensionable pay b) average of best 3 consecutive years' pensionable pay in last 10 years (revalued in line with the Pensions Increase (PI) Act to date of exit).
4.	Contracted out/in prior to 2016	Contracted out
5.	Members' contributions	Contribution scale tiered by PP
6.	<u>Benefits on retirement</u> Age retirement (1) Pension (2) Lump sum Ill-health retirement (at least 2 years' service)	Assuming reckonable service of N years: N/80 x FPP 3 x N/80 x FPP plus commutation at 12:1 Benefits as on age retirement, but based in some cases on enhanced service (see 12)
7.	<u>Benefits on death in service</u> (1) Lump sum (2) Spouse's/partner's pension	3 x Pensionable Pay 50% of member's pension based on enhanced service (see 13) (i)
8.	<u>Benefits on death out of service</u> (1) Lump sum (2) Spouse's/partner's pension	3 x N/80 x FPP at time of member's death 50% of member's pension (i)
9.	<u>Benefits on death after retirement</u> (1) Lump sum (2) Spouse's/partner's pension	5 x member's pension less pension received 50% of member's pension (i)
10.	<u>Benefits on withdrawal</u> - Less than 3 months' service - Between 3 months' and 2 years' service - 2 or more years' service	Refund of members' contributions Refund of members' contributions or transfer value Deferred benefits payable from NPA or transfer value
11.	<u>Increases to pensions</u> - In payment - In deferment	Increased in line with the PI Act, on excess over GMP Total pension increased in line with the PI Act
12.	<u>Service on ill-health retirement</u> Total incapacity benefit Incapacity benefit	Pension based on actual service plus half of potential service to NPA Pension based on actual service (but no reduction for immediate payment)
13.	<u>Service enhancement on death in service</u> <u>Actual service</u> 2 to 10 years 10 to 13 ¹ / ₃ years More than 13 ¹ / ₃ years	<u>Enhanced service</u> Actual service doubled (ii) Actual service increased to 20 years (ii) Actual service plus 6 ² / ₃ years (iii)

Notes :

- (i) Only service from April 1988 automatically accrues for widowers' and civil partners' benefits. Only service from 1 January 2007 automatically accrues for nominated partners' benefits. Certain short term (up to 6 months) family pensions may be paid in addition
- (ii) Subject to a maximum enhancement of the potential service to age 65
- (iii) Subject to a maximum enhancement of the pensionable service to age 60 or 65 depending on a member's age and reckonable service history.



Table E2 – Members who joined the scheme on or after 1 January 2007 (NPA65 section)

1.	Normal Pension Age (NPA)	65
2.	Pensionable Pay (PP)	Basic pay plus pensionable allowances
3.	Final Pensionable Pay (FPP)	Better of a) last 12 months pensionable pay b) average of best 3 consecutive years' pensionable pay in last 10 years (revalued in line with the Pensions Increase (PI) Act to date of exit)
4.	Contracted out/in prior to 2016	Contracted out
5.	Members' contributions	Contribution scale tiered by PP
6.	<u>Benefits on retirement</u> Age retirement (1) Pension (2) Lump sum Ill-health retirement (at least 2 years' service)	Assuming reckonable service of N years: N/60 x FPP By commutation at 12:1 Benefits as on age retirement, but based in some cases on enhanced service (see 12)
7.	<u>Benefits on death in service</u> (1) Lump sum (2) Spouse's/partner's pension	3 x Pensionable Pay 3/8 of member's pension based on enhanced service (see 13) (i)
8.	<u>Benefits on death out of service</u> (1) Lump sum (2) Spouse's/partner's pension	3 x N/80 x FPP at time of member's death 3/8 of member's pension (i)
9.	<u>Benefits on death after retirement</u> (1) Lump sum (2) Spouse's/partner's pension	5 x member's pension less pension received 3/8 of member's pension
10.	<u>Benefits on withdrawal</u> - Less than 3 months' service - Between 3 months' and 2 years' service - 2 or more years' service	Refund of members' contributions Refund of members' contributions or transfer value Deferred benefits payable from NPA or transfer value
11.	Increases to pensions	Increased in line with the PI Act (in payment and deferment)
12.	<u>Service on ill-health retirement</u> Total incapacity benefit Incapacity benefit	Pension based on actual service plus half of potential service to NPA Pension based on actual service (but no reduction for immediate payment)
13.	<u>Service enhancement on death in service</u> <u>Actual service</u> 2 to 10 years 10 to 13 1/3 years More than 13 1/3 years	<u>Enhanced service</u> Actual service doubled (ii) Actual service increased to 20 years (ii) Actual service plus 6 2/3 years (iii)

Notes :

- (i) Certain short term (up to 6 months) family pensions may be paid in addition;
(ii) Subject to a maximum enhancement of the potential service to age 65;
(iii) Subject to a maximum enhancement of the pensionable service to age 60 or 65 depending on a member's age and reckonable service history.



Table E3 – 2015 scheme benefit structure

1.	Normal Pension Age (NPA)	Higher of a member's State Pension Age and 65
2.	Pensionable Earnings (PE)	Basic pay plus pensionable allowances
3.	Standard Earned Pension (SEP)	1/57 of PE for each financial year
4.	Annual Index Adjustment (AIA)	The increase or decrease in a Treasury order in the previous financial year, plus 1.6%
5.	Contracted out/in prior to 2016	Contracted out
6.	Members' contributions	Contribution scale tiered by PE
7.	<u>Benefits on normal retirement</u> (1) Pension (2) Lump sum	The sum of each year's SEP revalued with the appropriate AIAs from the year the SEP was accrued to date of exit (increases in deferment covered under 14.) By commutation at 12:1
8.	<u>Benefits on early retirement</u>	Pension as per normal retirement but reduced for early payment. The reduction is actuarially neutral on a deferred benefit basis, except that for retirements directly from active status the reduction applying to the period between age 65 and NPA is 3% a year (up to a maximum of 3 years).
9.	<u>Benefits on Ill-health retirement</u> Incapacity benefit Total incapacity benefit	Pension as per normal retirement (but with each SEP revalued to date incapacity benefit commences and with no reduction for immediate payment) Incapacity benefit plus half of prospective service to NPA multiplied by 1/57 of the member's annual rate of PE (i)
10.	<u>Benefits on death in service</u> (1) Lump sum (2) Spouse's/partner's pension	3 x a member's annual rate of PE (i) 37.5% of member's pension as if he retired on total incapacity grounds at date of death
11.	<u>Benefits on death out of service</u> (1) Lump sum (2) Spouse's/partner's pension	2.25 x member's pension (with each SEP revalued to date of member's death) 37.5% of member's pension as per normal retirement (but with each SEP revalued to date of member's death)
12.	<u>Benefits on death after retirement</u> (1) Lump sum (2) Spouse's/partner's pension	5 x member's current pension less pension already received 37.5% of member's pension (without allowance for any reduction due to commutation)
13.	<u>Benefits on withdrawal</u> - Less than 3 months' service - Between 3 months' and 2 years' service - 2 or more years' service	Refund of members' contributions Refund of members' contributions or transfer value Deferred benefits payable from NPA or transfer value
14.	Increases to pensions	Increased in line with the PI Act (in payment and deferment)

Notes :

(i) A member's full-time equivalent annual rate of pensionable earnings for part-time members.



Appendix F: Record of changes since 27 February 2014 draft

F.1 This advice was issued in draft on 27 February 2014. The table below records the changes made since that draft.

Reference	Change
Paragraph 2.7	Added reference to regulations of existing scheme
Appendix D (b)	Amended footnotes to clarify the exclusion of certain members above NPA
Tables E1 to E3	Added entry on contracting-out status
Table E3	Added entry on early retirement provisions
Various	Minor drafting changes to correct spelling, grammatical and other errors or to clarify previous wording