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Introduction

Background

This report has been compiled by the Government Actuary's Department (GAD) at the request of the Ministry of Justice (MOJ) and must be read in conjunction with the limitations set out in Appendix B.

MOJ are working to respond to the Court of Justice of the European Union's (CJEU) judgment of 7 November 2018 in the case of O'Brien, which deals with the question of pension entitlement for pre 7 April 2000 fee-paid judicial service. MOJ set out their proposed methodology for providing a pension remedy in their July 2019 update to the Employment Tribunal¹. Details of the proposed remedy are summarised in the box below.

The purpose of this paper is to provide **worked examples** detailing how MOJ's proposed remedy would be applied for the cohort of **eligible judges who were appointed before 31 March 1995**.

Proposed remedy

As set out MOJ's July 2019 update to the Employment Tribunal¹

For eligible judges who were appointed on or after 31 March 1995

MOJ propose that, as the Fee-paid Judicial Pension Scheme 2017 (FPJPS) is the fee-paid equivalent of the Judicial Pensions and Retirement Act 1993 (JUPRA) scheme, the current provisions of FPJPS will be extended to cover the entire time period during which the appropriate salaried judge would have joined JUPRA (from 31 March 1995 onwards). Eligible judges, whose service began on or after 31 March 1995, will have their existing pension entitlements recalculated to include service between 31 March 1995 and 6 April 2000.

For eligible judges who were appointed before 31 March 1995

Judges whose service began before 31 March 1995 and whose remedy is referable to the Judicial Pensions Act 1981 will be given a choice between the following benefits, in line with the choice available to the appropriate salaried judge:

- Pro-rata benefits, calculated with reference to the pension benefit entitlement of the appropriate salaried judge, but scaled by the fee-paid judge's reckonable service (i.e. number of days sat) as a proportion of qualifying service (i.e. length of time in post), in line with the pro-rata principle.
- Transferring reckonable service to FPJPS in line with the provisions set out in the Judicial Pensions (Transfer Between Judicial Pensions Schemes) Regulations 1995. This transfer could take place on any day on which an appropriate salaried judge would have been able to transfer accrued reckonable service to JUPRA. If, under this option, a judge chooses to transfer accrued reckonable service at a date before his or her retirement date, service between the date of transfer and the date of retirement will accrue benefits in FPJPS.

¹ <https://www.gov.uk/government/publications/ministry-of-justice-statement-in-fee-paid-judicial-litigation-july-2019>

Fee-paid Judicial Litigation

Remedy design for eligible judges with service before 31 March 1995 – Worked examples

The choice that is most beneficial for a given judge will depend on his or her personal circumstances, and the value that he or she places on different types of benefit entitlement.

Judges whose service began before 31 March 1995 and whose remedy is referable to a non-judicial pension scheme by analogy with the Principal Civil Service Pension Scheme will be treated in the same way as those fee-paid judges in the “reason why/which pension” tribunals and will have their pension benefits converted to benefits in FPJPS on 31 March 1995 if the relevant salaried judge was able to join JUPRA at that date.

Examples

At MOJ’s request, this paper includes the following 6 worked examples for judges whose fee-paid service began before 31 March 1995, and where the relevant salaried judge had the option to join the JUPRA scheme from that date:

Pre-31 March 1995 scheme of appropriate salaried judge:	Example fee-paid judge’s qualifying service:	
	Below scheme limits	Exceeds scheme limits
JPA 1981 15-year scheme	Example 1 (pages 6 to 9)	Example 2 (pages 10 to 13)
JPA 1981 20-year scheme	Example 3 (pages 14 to 17)	Example 4 (pages 18 to 21)
A scheme by-analogy to the PCSPS classic scheme	Example 5 (pages 22 to 24)	Example 6 (pages 25 to 27)

The 6 worked examples set out in the table above follow in the next section of this paper. Each example sets out:

- the data to be used in the calculations,
- the example judge’s existing benefit entitlement in the FPJPS, for comparative purposes,
- the example judge’s benefit entitlement under MOJ’s proposed methodology, and
- the full calculations underlying each result quoted in this paper.

The assumptions underlying this paper are set out in Appendix A. Some limitations of our work are set out in Appendix B.

Interested parties should note that:

- This paper only covers the 6 examples shown in the table above. Some individuals may have more complicated circumstances which are not covered by these examples (e.g. members leaving before normal pension age, members retiring in ill health, members with multiple fee-paid offices, members with both fee-paid and salaried offices, etc.)
- This paper only covers the pension benefits that example fee-paid judges would be entitled to. No allowance has been made for the backdated pension contributions that would be due from example judges. The amount of backdated contributions due might be large and could vary significantly between different schemes. As a result, the level of contributions due from any particular fee-paid judge could have a significant impact on which pension benefits he or she ultimately chooses.

Worked examples

Example 1: A retired fee-paid judge, JPA 1981 15-year scheme, qualifying service below scheme limits

Consider the following example fee-paid judge:

Example 1 Data	
Date of birth	06/04/1934
Notional date joined scheme	18/06/1989
Judicial office	Recorder
Divisor (for calculating years of service)	210
Pre-31 March 1995 scheme of the appropriate salaried judge	JPA 1981 15-year Scheme
Date of retirement	06/04/2004
Age of retirement	70
FPJPS early retirement reduction factor (ERRF)	1
Appropriate annual salary at retirement	£100,000 pa
Qualifying Service	14.8 years
Total sitting days over qualifying service	1,554 days
Of which:	
Sitting days before 31 March 1995	525 days
Sitting days on or after 31 March 1995 and before 7 April 2000	525 days
Sitting days on or after 7 April 2000	504 days

Intermediate calculations	
Total reckonable service in years (i.e. sitting days ÷ divisor)	$1,554 \div 210 = 7.4$
Of which:	
Years before 31 March 1995	$525 \div 210 = 2.5$
Years on or after 31 March 1995 and before 7 April 2000	$525 \div 210 = 2.5$
Years on or after 7 April 2000	$504 \div 210 = 2.4$

Fee-paid Judicial Litigation

Remedy design for eligible judges with service before 31 March 1995 – Worked examples

Example 1 Results

The table below shows the judge's existing benefit entitlement in the FPJPS, and the total benefit entitlement at retirement under the proposed methodology if:

- a) the judge chose to take benefits based on those in the relevant pre-31 March 1995 scheme,
- b) the judge chose to transfer accrued service to the FPJPS, at retirement, and
- c) the judge chose to transfer accrued service to the FPJPS, on 31 March 1995.

	Existing FPJPS benefit entitlement <i>For comparative purposes</i>	Option (a) <i>Pre-31 March 1995 scheme benefit entitlement (JPA 1981 15- year Scheme)</i>	Option (b) <i>Accrued reckonable service transferred to FPJPS at retirement</i>	Option (c) <i>Accrued reckonable service transferred to FPJPS on 31 March 1995</i>
Service included	Post 6 April 2000 only	All	All	All
Pension at retirement (pa)	£6,000	£23,750	£23,125	£20,063
Lump sum at retirement	£13,500	£47,500	£52,032	£45,141
Contingent dependant's pension (pa)	£3,000	£11,875	£11,563	£10,032
Normal Pension Age	65	65	65	65

All numbers have been rounded up to the nearest £1.

Interested parties should note that:

1. Full details of the calculations for each benefit shown are set out in the coloured boxes on the following pages.
2. The benefit entitlements under Options (a), (b) or (c) represent the total benefit entitlement that would be payable to the judge, including his or her existing FPJPS benefit entitlement.
3. Options (b) and (c) are based on the latest possible date and earliest possible date, respectively, that the judge would be able to transfer his or her reckonable service into the FPJPS. We understand that in practice judges will be able to choose to transfer at any date in between these limits.
4. The numbers above are at retirement. No allowance has been made for pension increases that would be applied between retirement and the present day.
5. No allowance has been made for the backdated pension contributions that would be due from the example judge.
6. Under the rules of the JPA 1981 scheme, the pension at retirement cannot exceed 50% of the appropriate annual salary.
7. Where applicable, we understand that MOJ are to pay arrears of pension (including interest at an agreed rate) from the date of retirement to the present day. These arrears are not included in the results above.

Example 1: Existing FPJPS benefit entitlement

Existing FPJPS pension entitlement is generally calculated as:

$$\left(\begin{array}{c} \text{Early retirement} \\ \text{reduction factor} \end{array} \right) \times \left(\begin{array}{c} \text{Reckonable service} \\ \text{after 6 April 2000} \end{array} \right) \times \frac{1}{40} \times (\text{Appropriate annual salary})$$

In this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS), so the ERRF applied at retirement was 1, and the judge's existing FPJPS pension entitlement was:

$$1 \times 2.4 \times \frac{1}{40} \times \text{£}100,000 = \text{£}6,000 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}6,000 = \text{£}13,500$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}6,000 = \text{£}3,000 \text{ pa}$).

Example 1: Pre-31 March 1995 scheme benefit entitlement (JPA 1981 15-year Scheme)

Under MOJ's proposed methodology an eligible fee-paid judge's pension entitlement, based on the benefits of the relevant pre-31 March 1995 scheme, is to be calculated as:

$$\left(\begin{array}{c} \text{The pension entitlement of} \\ \text{an appropriate salaried judge} \end{array} \right) \times \left(\frac{\text{Capped reckonable service}}{\text{Capped qualifying service}} \right)$$

The JPA 1981 15-year scheme pension entitlement of an appropriate salaried judge is calculated as:

$$\left(\begin{array}{c} \text{Variable} \\ \text{accrual rate} \end{array} \right) \times \left(\begin{array}{c} \text{appropriate} \\ \text{annual salary} \end{array} \right)$$

The variable accrual rate depends on the appropriate salaried judge's length of qualifying service. In this example, the appropriate salaried judge has 14.8 years of qualifying service and is therefore entitled to a pension of:

$$\left(\frac{19}{40} \right) \times \text{£}100,000 = \text{£}47,500 \text{ pa}$$

There is a service cap of 15 years in the JPA 1981 15-year scheme. However, in this example both the fee-paid judge's reckonable and qualifying service are below 15 years, so do not need to be capped. The fee-paid judge's pension entitlement is therefore calculated as:

$$\text{£}47,500 \times \frac{7.4}{14.8} = \text{£}23,750 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2 times their annual pension at retirement ($2 \times \text{£}23,750 = \text{£}47,500$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}23,750 = \text{£}11,875 \text{ pa}$).

Example 1: Reckonable service transferred to FPJPS at retirement

MOJ propose to give eligible fee-paid judges the choice to transfer accrued reckonable service into the FPJPS using the methodology set out in The Judicial Pensions (Transfer Between Judicial Pension Schemes) Regulations 1995.

If an eligible fee-paid judge chooses to transfer their accrued reckonable service to the FPJPS at retirement, their pension entitlement would be calculated as:

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Total reckonable service} \right) \times \left(\text{FPJPS service credit multiplier} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

The FPJPS service credit multiplier for the JPA 1981 15-year scheme is 1.25 (see Appendix A) and, in this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS) so the ERRF is 1. The member's pension entitlement is therefore calculated as:

$$1 \times 7.4 \times 1.25 \times \frac{1}{40} \times \text{£}100,000 = \text{£}23,125 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}23,125 = \text{£}52,032$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}23,125 = \text{£}11,563 \text{ pa}$).

Example 1: Reckonable service transferred to FPJPS on 31 March 1995

MOJ propose to allow eligible fee-paid judges the choice to transfer accrued reckonable service to the FPJPS at any time on or after 31 March 1995 up to the point of retirement.

In this example, if the judge chose to transfer his or her accrued reckonable service to the FPJPS on the earliest possible date, 31 March 1995, and then accrued pension entitlement in FPJPS from that point onwards, their pension entitlement would be calculated as:

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service before 31 March 1995} \right) \times \left(\text{FPJPS service credit multiplier} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

PLUS

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service on or after 31 March 1995} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

The FPJPS service credit multiplier for the JPA 1981 15-year scheme is 1.25 (see Appendix A) and, in this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS) so the ERRF is 1. The member's pension entitlement is therefore calculated as:

$$\left(1 \times 2.5 \times 1.25 \times \left(\frac{1}{40} \right) \times \text{£}100,000 \right) + \left(1 \times 4.9 \times \left(\frac{1}{40} \right) \times \text{£}100,000 \right) = \text{£}20,062.50 \text{ pa}$$

The annual pension entitlement will be rounded up to the nearest pound before pension payments commence. Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}20,062.50 = \text{£}45,141$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}20,062.50 = \text{£}10,032 \text{ pa}$).

Example 2: A retired fee-paid judge, JPA 1981 15-year scheme, qualifying service exceeds scheme limits

Consider the following example fee-paid judge:

Example 2 Data	
Date of birth	06/04/1944
Notional date joined scheme	06/04/1989
Judicial office	Recorder
Divisor (for calculating years of service)	210
Pre-31 March 1995 scheme of the appropriate salaried judge	JPA 1981 15-year Scheme
Date of retirement	06/04/2014
Age of retirement	70
FPJPS early retirement reduction factor (ERRF)	1
Appropriate annual salary at retirement	£100,000 pa
Qualifying Service	25 years
Total sitting days over qualifying service	3,150 days
Of which:	
Sitting days before 31 March 1995	756 days
Sitting days on or after 31 March 1995 and before 7 April 2000	630 days
Sitting days on or after 7 April 2000	1,764 days

Intermediate calculations	
Total reckonable service in years (i.e. sitting days ÷ divisor)	$3,150 \div 210 = 15.0$
Of which:	
Years before 31 March 1995	$756 \div 210 = 3.6$
Years on or after 31 March 1995 and before 7 April 2000	$630 \div 210 = 3.0$
Years on or after 7 April 2000	$1,764 \div 210 = 8.4$

Fee-paid Judicial Litigation

Remedy design for eligible judges with service before 31 March 1995 – Worked examples

Example 2 Results

The table below shows the judge's existing benefit entitlement in the FPJPS, and the total benefit entitlement at retirement under the proposed methodology if:

- a) the judge chose to take benefits based on those in the relevant pre-31 March 1995 scheme,
- b) the judge chose to transfer accrued service to the FPJPS, at retirement, and
- c) the judge chose to transfer accrued service to the FPJPS, on 31 March 1995.

	Existing FPJPS benefit entitlement <i>For comparative purposes</i>	Option (a) <i>Pre-31 March 1995 scheme benefit entitlement (JPA 1981 15- year Scheme)</i>	Option (b) <i>Accrued reckonable service transferred to FPJPS at retirement</i>	Option (c) <i>Accrued reckonable service transferred to FPJPS on 31 March 1995</i>
Service included	Post 6 April 2000 only	All	All	All
Pension at retirement (pa)	£21,000	£50,000	£46,875	£39,750
Lump sum at retirement	£47,250	£100,000	£105,469	£89,438
Contingent dependant's pension (pa)	£10,500	£25,000	£23,438	£19,875
Normal Pension Age	65	65	65	65

All numbers have been rounded up to the nearest £1.

Interested parties should note that:

1. Full details of the calculations for each benefit shown are set out in the coloured boxes on the following pages.
2. The benefit entitlements under Options (a), (b) or (c) represent the total benefit entitlement that would be payable to the judge, including his or her existing FPJPS benefit entitlement.
3. Options (b) and (c) are based on the latest possible date and earliest possible date, respectively, that the judge would be able to transfer his or her reckonable service into the FPJPS. We understand that in practice judges will be able to choose to transfer at any date in between these limits.
4. The numbers above are at retirement. No allowance has been made for pension increases that would be applied between retirement and the present day.
5. No allowance has been made for the backdated pension contributions that would be due from the example judge.
6. Under the rules of the JPA 1981 scheme, the pension at retirement cannot exceed 50% of the appropriate annual salary.
7. Where applicable, we understand that MOJ are to pay arrears of pension (including interest at an agreed rate) from the date of retirement to the present day. These arrears are not included in the results above.

Example 2: Existing FPJPS benefit entitlement

Existing FPJPS pension entitlement is generally calculated as:

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service after 6 April 2000} \right) \times \frac{1}{40} \times (\text{Appropriate annual salary})$$

In this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS), so the ERRF applied at retirement was 1, and the judge's existing FPJPS pension entitlement was:

$$1 \times 8.4 \times \frac{1}{40} \times \text{£}100,000 = \text{£}21,000 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}21,000 = \text{£}47,250$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}21,000 = \text{£}10,500 \text{ pa}$).

Example 2: Pre-31 March 1995 scheme benefit entitlement (JPA 1981 15-year Scheme)

Under MOJ's proposed methodology an eligible fee-paid judge's pension entitlement, based on the benefits of the relevant pre-31 March 1995 scheme, is to be calculated as:

$$\left(\text{The pension entitlement of an appropriate salaried judge} \right) \times \left(\frac{\text{Capped reckonable service}}{\text{Capped qualifying service}} \right)$$

The JPA 1981 15-year scheme pension entitlement of an appropriate salaried judge is calculated as:

$$\left(\text{Variable accrual rate} \right) \times \left(\text{appropriate annual salary} \right)$$

The variable accrual rate depends on the appropriate salaried judge's length of qualifying service. In this example, the appropriate salaried judge has 25 years of qualifying service and is therefore entitled to a pension of:

$$\left(\frac{20}{40} \right) \times \text{£}100,000 = \text{£}50,000 \text{ pa}$$

There is a service cap of 15 years in the JPA 1981 15-year scheme. In this example the fee-paid judge's reckonable service is exactly 15 years and his or her qualifying service is above 15 years. As a result, the qualifying service is capped at 15 years. The fee-paid judge's pension entitlement is therefore calculated as:

$$\text{£}50,000 \times \frac{15}{15} = \text{£}50,000 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2 times their annual pension at retirement ($2 \times \text{£}50,000 = \text{£}100,000$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}50,000 = \text{£}25,000 \text{ pa}$).

Example 2: Reckonable service transferred to FPJPS at retirement

MOJ propose to give eligible fee-paid judges the choice to transfer accrued reckonable service into the FPJPS using the methodology set out in The Judicial Pensions (Transfer Between Judicial Pension Schemes) Regulations 1995.

If an eligible fee-paid judge chooses to transfer their accrued reckonable service to the FPJPS at retirement, their pension entitlement would be calculated as:

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Total reckonable service} \right) \times \left(\text{FPJPS service credit multiplier} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

The FPJPS service credit multiplier for the JPA 1981 15-year scheme is 1.25 (see Appendix A) and, in this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS) so the ERRF is 1. The member's pension entitlement is therefore calculated as:

$$1 \times 15 \times 1.25 \times \frac{1}{40} \times \text{£}100,000 = \text{£}46,875 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}46,875 = \text{£}105,469$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}46,875 = \text{£}23,438 \text{ pa}$).

Example 2: Reckonable service transferred to FPJPS on 31 March 1995

MOJ propose to allow eligible fee-paid judges the choice to transfer accrued reckonable service to the FPJPS at any time on or after 31 March 1995 up to the point of retirement.

In this example, if the judge chose to transfer his or her accrued reckonable service to the FPJPS on the earliest possible date, 31 March 1995, and then accrued pension entitlement in FPJPS from that point onwards, their pension entitlement would be calculated as:

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service before 31 March 1995} \right) \times \left(\text{FPJPS service credit multiplier} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

PLUS

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service on or after 31 March 1995} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

The FPJPS service credit multiplier for the JPA 1981 15-year scheme is 1.25 (see Appendix A) and, in this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS) so the ERRF is 1. The member's pension entitlement is therefore calculated as:

$$\left(1 \times 3.6 \times 1.25 \times \left(\frac{1}{40} \right) \times \text{£}100,000 \right) + \left(1 \times 11.4 \times \left(\frac{1}{40} \right) \times \text{£}100,000 \right) = \text{£}39,750 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}39,750 = \text{£}89,438$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}39,750 = \text{£}19,875 \text{ pa}$).

Example 3: A retired fee-paid judge, JPA 1981 20-year scheme, qualifying service below scheme limits

Consider the following example fee-paid judge:

Example 3 Data	
Date of birth	06/04/1934
Notional date joined scheme	30/08/1988
Judicial office	Deputy District Judge
Divisor (for calculating years of service)	215
Pre-31 March 1995 scheme of the appropriate salaried judge	JPA 1981 20-year Scheme
Date of retirement	06/04/2004
Age of retirement	70
FPJPS early retirement reduction factor (ERRF)	1
Appropriate annual salary at retirement	£100,000 pa
Qualifying Service	15.6 years
Total sitting days over qualifying service	2,021 days
Of which:	
Sitting days before 31 March 1995	774 days
Sitting days on or after 31 March 1995 and before 7 April 2000	645 days
Sitting days on or after 7 April 2000	602 days

Intermediate calculations	
Total reckonable service in years (i.e. sitting days ÷ divisor)	$2,021 \div 215 = 9.4$
Of which:	
Years before 31 March 1995	$774 \div 215 = 3.6$
Years on or after 31 March 1995 and before 7 April 2000	$645 \div 215 = 3.0$
Years on or after 7 April 2000	$602 \div 215 = 2.8$

Fee-paid Judicial Litigation

Remedy design for eligible judges with service before 31 March 1995 – Worked examples

Example 3 Results

The table below shows the judge's existing benefit entitlement in the FPJPS, and the total benefit entitlement at retirement under the proposed methodology if:

- a) the judge chose to take benefits based on those in the relevant pre-31 March 1995 scheme,
- b) the judge chose to transfer accrued service to the FPJPS, at retirement, and
- c) the judge chose to transfer accrued service to the FPJPS, on 31 March 1995.

	Existing FPJPS benefit entitlement <i>For comparative purposes</i>	Option (a) <i>Pre-31 March 1995 scheme benefit entitlement (JPA 1981 20- year Scheme)</i>	Option (b) <i>Accrued reckonable service transferred to FPJPS at retirement</i>	Option (c) <i>Accrued reckonable service transferred to FPJPS on 31 March 1995</i>
Service included	Post 6 April 2000 only	All	All	All
Pension at retirement (pa)	£7,000	£22,597	£23,500	£23,500
Lump sum at retirement	£15,750	£45,193	£52,875	£52,875
Contingent dependant's pension (pa)	£3,500	£11,299	£11,750	£11,750
Normal Pension Age	65	65	65	65

All numbers have been rounded up to the nearest £1.

Interested parties should note that:

1. Full details of the calculations for each benefit shown are set out in the coloured boxes on the following pages.
2. The benefit entitlements under Options (a), (b) or (c) represent the total benefit entitlement that would be payable to the judge including his or her existing FPJPS benefit entitlement.
3. Options (b) and (c) are based on the latest possible date and earliest possible date, respectively, that the judge would be able to transfer his or her reckonable service into the FPJPS. We understand that in practice judges will be able to choose to transfer at any date in between these limits.
4. The numbers above are at retirement. No allowance has been made for pension increases that would be applied between retirement and the present day.
5. No allowance has been made for the backdated pension contributions that would be due from the example judge.
6. Under the rules of the JPA 1981 scheme, the pension at retirement cannot exceed 50% of the appropriate annual salary.
7. Where applicable, we understand that MOJ are to pay arrears of pension (including interest at an agreed rate) from the date of retirement to the present day. These arrears are not included in the results above.

Example 3: Existing FPJPS benefit entitlement

Existing FPJPS pension entitlement is generally calculated as:

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service after 6 April 2000} \right) \times \frac{1}{40} \times (\text{Appropriate annual salary})$$

In this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS), so the ERRF applied at retirement was 1, and the judge's existing FPJPS pension entitlement was:

$$1 \times 2.8 \times \frac{1}{40} \times \text{£}100,000 = \text{£}7,000 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}7,000 = \text{£}15,750$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}7,000 = \text{£}3,500 \text{ pa}$).

Example 3: Pre-31 March 1995 scheme benefit entitlement (JPA 1981 20-year Scheme)

Under MOJ's proposed methodology an eligible fee-paid judge's pension entitlement, based on the benefits of the relevant pre-31 March 1995 scheme, is to be calculated as:

$$\left(\text{The pension entitlement of an appropriate salaried judge} \right) \times \left(\frac{\text{Capped reckonable service}}{\text{Capped qualifying service}} \right)$$

The JPA 1981 20-year scheme pension entitlement of an appropriate salaried judge is calculated as:

$$\left(\text{Variable accrual rate} \right) \times \left(\text{appropriate annual salary} \right)$$

The variable accrual rate depends on the appropriate salaried judge's length of qualifying service. In this example, the appropriate salaried judge has 15.6 years of qualifying service and is therefore entitled to a pension of:

$$\left(\frac{30}{80} \right) \times \text{£}100,000 = \text{£}37,500 \text{ pa}$$

There is a service cap of 20 years in the JPA 1981 20-year scheme. However, in this example both the fee-paid judge's reckonable and qualifying service are below 20 years, so do not need to be capped. The fee-paid judge's pension entitlement is therefore calculated as:

$$\text{£}37,500 \times \frac{9.4}{15.6} = \text{£}22,596.15 \text{ pa}$$

The annual pension entitlement will be rounded up to the nearest pound before pension payments commence. Under the scheme regulations the member is also entitled to a lump sum of 2 times their annual pension at retirement ($2 \times \text{£}22,596.15 = \text{£}45,193$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}22,596.15 = \text{£}11,299 \text{ pa}$).

Example 3: Reckonable service transferred to FPJPS at retirement

MOJ propose to give eligible fee-paid judges the choice to transfer accrued reckonable service into the FPJPS using the methodology set out in The Judicial Pensions (Transfer Between Judicial Pension Schemes) Regulations 1995.

If an eligible fee-paid judge chooses to transfer their accrued reckonable service to the FPJPS at retirement, their pension entitlement would be calculated as:

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Total reckonable service} \right) \times \left(\text{FPJPS service credit multiplier} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

The FPJPS service credit multiplier for the JPA 1981 20-year scheme is 1 (see Appendix A) and, in this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS) so the ERRF is 1. The member's pension entitlement is therefore calculated as:

$$1 \times 9.4 \times 1 \times \frac{1}{40} \times \text{£}100,000 = \text{£}23,500 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}23,500 = \text{£}52,875$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}23,500 = \text{£}11,750 \text{ pa}$).

Example 3: Reckonable service transferred to FPJPS on 31 March 1995

MOJ propose to allow eligible fee-paid judges the choice to transfer accrued reckonable service to the FPJPS at any time on or after 31 March 1995 up to the point of retirement.

In this example, if the judge chose to transfer his or her accrued reckonable service to the FPJPS on the earliest possible date, 31 March 1995, and then accrued pension entitlement in FPJPS from that point onwards, their pension entitlement would be calculated as:

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service before 31 March 1995} \right) \times \left(\text{FPJPS service credit multiplier} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

PLUS

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service on or after 31 March 1995} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

The FPJPS service credit multiplier for the JPA 1981 20-year scheme is 1 (see Appendix A) and, in this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS) so the ERRF is 1. The member's pension entitlement is therefore calculated as:

$$\left(1 \times 3.6 \times 1 \times \left(\frac{1}{40} \right) \times \text{£}100,000 \right) + \left(1 \times 5.8 \times \left(\frac{1}{40} \right) \times \text{£}100,000 \right) = \text{£}23,500 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}23,500 = \text{£}52,875$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}23,500 = \text{£}11,750 \text{ pa}$).

Example 4: A retired fee-paid judge, JPA 1981 20-year scheme, qualifying service exceeds scheme limits

Consider the following example fee-paid judge:

Example 4 Data	
Date of birth	06/04/1944
Notional date joined scheme	06/04/1984
Judicial office	Deputy District Judge
Divisor (for calculating years of service)	215
Pre-31 March 1995 scheme of the appropriate salaried judge	JPA 1981 20-year Scheme
Date of retirement	06/04/2014
Age of retirement	70
FPJPS early retirement reduction factor (ERRF)	1
Appropriate annual salary at retirement	£100,000 pa
Qualifying Service	30 years
Total sitting days over qualifying service	3,225 days
Of which:	
Sitting days before 31 March 1995	1,161 days
Sitting days on or after 31 March 1995 and before 7 April 2000	559 days
Sitting days on or after 7 April 2000	1,505 days

Intermediate calculations	
Total reckonable service in years (i.e. sitting days ÷ divisor)	$3,225 \div 215 = 15$
Of which:	
Years before 31 March 1995	$1,161 \div 215 = 5.4$
Years on or after 31 March 1995 and before 7 April 2000	$559 \div 215 = 2.6$
Years on or after 7 April 2000	$1,505 \div 215 = 7.0$

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Example 4 Results

The table below shows the judge's existing benefit entitlement in the FPJPS, and the total benefit entitlement at retirement under the proposed methodology if:

- a) the judge chose to take benefits based on those in the relevant pre-31 March 1995 scheme,
- b) the judge chose to transfer accrued service to the FPJPS, at retirement, and
- c) the judge chose to transfer accrued service to the FPJPS, on 31 March 1995.

	Existing FPJPS benefit entitlement <i>For comparative purposes</i>	Option (a) <i>Pre-31 March 1995 scheme benefit entitlement (JPA 1981 20- year Scheme)</i>	Option (b) <i>Accrued reckonable service transferred to FPJPS at retirement</i>	Option (c) <i>Accrued reckonable service transferred to FPJPS on 31 March 1995</i>
Service included	Post 6 April 2000 only	All	All	All
Pension at retirement (pa)	£17,500	£37,500	£37,500	£37,500
Lump sum at retirement	£39,375	£75,000	£84,375	£84,375
Contingent dependant's pension (pa)	£8,750	£18,750	£18,750	£18,750
Normal Pension Age	65	65	65	65

All numbers have been rounded up to the nearest £1.

Interested parties should note that:

1. Full details of the calculations for each benefit shown are set out in the coloured boxes on the following pages.
2. The benefit entitlements under Options (a), (b) or (c) represent the total benefit entitlement that would be payable to the judge including his or her existing FPJPS benefit entitlement.
3. Options (b) and (c) are based on the latest possible date and earliest possible date, respectively, that the judge would be able to transfer his or her reckonable service into the FPJPS. We understand that in practice judges will be able to choose to transfer at any date in between these limits.
4. The numbers above are at retirement. No allowance has been made for pension increases that would be applied between retirement and the present day.
5. No allowance has been made for the backdated pension contributions that would be due from the example judge.
6. Under the rules of the JPA 1981 scheme, the pension at retirement cannot exceed 50% of the appropriate annual salary.
7. Where applicable, we understand that MOJ are to pay arrears of pension (including interest at an agreed rate) from the date of retirement to the present day. These arrears are not included in the results above.

Example 4: Existing FPJPS benefit entitlement

Existing FPJPS pension entitlement is generally calculated as:

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service after 6 April 2000} \right) \times \frac{1}{40} \times (\text{Appropriate annual salary})$$

In this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS), so the ERRF applied at retirement was 1, and the judge's existing FPJPS pension entitlement was:

$$1 \times 7.0 \times \frac{1}{40} \times \text{£}100,000 = \text{£}17,500 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}17,500 = \text{£}39,375$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}17,500 = \text{£}8,750 \text{ pa}$).

Example 4: Pre-31 March 1995 scheme benefit entitlement (JPA 1981 20-year Scheme)

Under MOJ's proposed methodology an eligible fee-paid judge's pension entitlement, based on the benefits of the relevant pre-31 March 1995 scheme, is to be calculated as:

$$\left(\text{The pension entitlement of an appropriate salaried judge} \right) \times \left(\frac{\text{Capped reckonable service}}{\text{Capped qualifying service}} \right)$$

The JPA 1981 20-year scheme pension entitlement of an appropriate salaried judge is calculated as:

$$\left(\text{Variable accrual rate} \right) \times \left(\text{appropriate annual salary} \right)$$

The variable accrual rate depends on the appropriate salaried judge's length of qualifying service. In this example, the appropriate salaried judge has 30 years of qualifying service and is therefore entitled to a pension of:

$$\left(\frac{40}{80} \right) \times \text{£}100,000 = \text{£}50,000 \text{ pa}$$

There is a service cap of 20 years in the JPA 1981 20-year scheme. In this example the fee-paid judge's reckonable service is below 20 years and his or her qualifying service is above 20 years. As a result, the qualifying service is capped at 20 years. The fee-paid judge's pension entitlement is therefore calculated as:

$$\text{£}37,500 \times \frac{15}{20} = \text{£}37,500 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2 times their annual pension at retirement ($2 \times \text{£}37,500 = \text{£}75,000$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}37,500 = \text{£}18,750 \text{ pa}$).

Example 4: Reckonable service transferred to FPJPS at retirement

MOJ propose to give eligible fee-paid judges the choice to transfer accrued reckonable service into the FPJPS using the methodology set out in The Judicial Pensions (Transfer Between Judicial Pension Schemes) Regulations 1995.

If an eligible fee-paid judge chooses to transfer their accrued reckonable service to the FPJPS at retirement, their pension entitlement would be calculated as:

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Total reckonable service} \right) \times \left(\text{FPJPS service credit multiplier} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

The FPJPS service credit multiplier for the JPA 1981 20-year scheme is 1 (see Appendix A) and, in this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS) so the ERRF is 1. The member's pension entitlement is therefore calculated as:

$$1 \times 15 \times 1 \times \frac{1}{40} \times \text{£}100,000 = \text{£}37,500 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}37,500 = \text{£}84,375$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}37,500 = \text{£}18,750 \text{ pa}$).

Example 4: Reckonable service transferred to FPJPS on 31 March 1995

MOJ propose to allow eligible fee-paid judges the choice to transfer accrued reckonable service to the FPJPS at any time on or after 31 March 1995 up to the point of retirement.

In this example, if the judge chose to transfer his or her accrued reckonable service to the FPJPS on the earliest possible date, 31 March 1995, and then accrued pension entitlement in FPJPS from that point onwards, their pension entitlement would be calculated as:

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service before 31 March 1995} \right) \times \left(\text{FPJPS service credit multiplier} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

PLUS

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service on or after 31 March 1995} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

The FPJPS service credit multiplier for the JPA 1981 20-year scheme is 1 (see Appendix A) and, in this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS) so the ERRF is 1. The member's pension entitlement is therefore calculated as:

$$\left(1 \times 5.4 \times 1 \times \left(\frac{1}{40} \right) \times \text{£}100,000 \right) + \left(1 \times 9.6 \times \left(\frac{1}{40} \right) \times \text{£}100,000 \right) = \text{£}37,500 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}37,500 = \text{£}84,375$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}37,500 = \text{£}18,750 \text{ pa}$).

Example 5: A retired fee-paid judge, by-analogy PCSPS classic scheme, qualifying service below scheme limits

Consider the following example fee-paid judge:

Example 5 Data	
Date of birth	06/04/1944
Notional date joined scheme	06/04/1989
Judicial office	Immigration Judge
Divisor (for calculating years of service)	220
Pre-31 March 1995 scheme of the appropriate salaried judge	By-analogy to the PCSPS classic scheme
Date of retirement	06/04/2014
Age of retirement	70
FPJPS early retirement reduction factor (ERRF)	1
PCSPS classic scheme early retirement reduction factor (ERRF)	1
Appropriate annual salary at retirement	£100,000 pa
Qualifying Service	25 years
Total sitting days over qualifying service	2,200 days
Of which:	
Sitting days before 31 March 1995	550 days
Sitting days on or after 31 March 1995 and before 7 April 2000	418 days
Sitting days on or after 7 April 2000	1,232 days

Intermediate calculations	
Total reckonable service in years (i.e. sitting days ÷ divisor)	$2,200 \div 220 = 10.0$
Of which:	
Years before 31 March 1995	$550 \div 220 = 2.5$
Years on or after 31 March 1995 and before 7 April 2000	$418 \div 220 = 1.9$
Years on or after 7 April 2000	$1,232 \div 220 = 5.6$

Example 5 Results

The table below shows the judge's existing benefit entitlement in the FPJPS, and the total benefit entitlement at retirement under the proposed methodology based on the judge transferring accrued service to the FPJPS on 31 March 1995 (if the relevant salaried judge was able to join JUPRA at that date).

	Existing FPJPS benefit entitlement <i>For comparative purposes</i>	Total benefit entitlement <i>Accrued reckonable service transferred to FPJPS on 31 March 1995</i>
Service included	Post 6 April 2000 only	All
Pension at retirement (pa)	£14,000	£21,875
Lump sum at retirement	£31,500	£49,219
Contingent dependant's pension (pa)	£7,000	£10,938
Normal Pension Age	65	65

All numbers have been rounded up to the nearest £1.

Interested parties should note that:

1. Full details of the calculations for each benefit shown are set out in the coloured boxes on the following pages.
2. The total benefit entitlement is what would be payable to the judge including his or her existing FPJPS benefit entitlement.
3. The numbers above are at retirement. No allowance has been made for pension increases that would be applied between retirement and the present day.
4. No allowance has been made for the backdated pension contributions that would be due from the example judge.
5. Where applicable, we understand that MOJ are to pay arrears of pension (including interest at an agreed rate) from the date of retirement to the present day. These arrears are not included in the results above.

Example 5: Existing FPJPS benefit entitlement

Existing FPJPS pension entitlement is generally calculated as:

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service after 6 April 2000} \right) \times \frac{1}{40} \times \left(\text{Appropriate annual salary} \right)$$

In this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS), so the ERRF applied at retirement was 1, and the judge's existing FPJPS pension entitlement was:

$$1 \times 5.6 \times \frac{1}{40} \times \text{£}100,000 = \text{£}14,000 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}14,000 = \text{£}31,500$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}14,000 = \text{£}7,000 \text{ pa}$).

Example 5: Reckonable service transferred to FPJPS on 31 March 1995

MOJ propose to transfer accrued reckonable service for this group of judges to the FPJPS on 31 March 1995 if the relevant salaried judge was able to join JUPRA at this date.

In this example, if the judge transferred his or her accrued reckonable service to the FPJPS on 31 March 1995, and then accrued pension entitlement in FPJPS from that point onwards, their total pension entitlement would be calculated as:

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service before 31 March 1995} \right) \times \left(\text{FPJPS service credit multiplier} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

PLUS

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service on or after 31 March 1995} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

The FPJPS service credit multiplier for a by analogy PCSPS classic scheme is 0.5 (see Appendix A) and, in this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS) so the ERRF is 1. The member's pension entitlement is therefore calculated as:

$$\left(1 \times 2.5 \times 0.5 \times \left(\frac{1}{40} \right) \times \text{£}100,000 \right) + \left(1 \times 7.5 \times \left(\frac{1}{40} \right) \times \text{£}100,000 \right) = \text{£}21,875 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}21,875 = \text{£}49,219$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}21,875 = \text{£}10,938 \text{ pa}$).

Example 6: A retired fee-paid judge, by-analogy PCSPS classic scheme, qualifying service exceeds scheme limits

Consider the following example fee-paid judge:

Example 6 Data	
Date of birth	06/04/1947
Notional date joined scheme	06/04/1975
Judicial office	Immigration
Divisor (for calculating years of service)	220
Pre-31 March 1995 scheme of the appropriate salaried judge	By-analogy to the PCSPS classic scheme
Date of retirement	06/04/2019
Age of retirement	72
FPJPS early retirement reduction factor (ERRF)	1
PCSPS classic scheme early retirement reduction factor (ERRF)	1
Appropriate annual salary at retirement	£100,000 pa
Qualifying Service	44 years
Total sitting days over qualifying service	4,840
Of which:	
Sitting days before 31 March 1995	2,200 days
Sitting days on or after 31 March 1995 and before 7 April 2000	550 days
Sitting days on or after 7 April 2000	2,090 days

Intermediate calculations	
Total reckonable service in years (i.e. sitting days ÷ divisor)	$4,840 \div 220 = 22.0$
Of which:	
Years before 31 March 1995	$2,200 \div 220 = 10.0$
Years on or after 31 March 1995 and before 7 April 2000	$550 \div 220 = 2.5$
Years on or after 7 April 2000	$2,090 \div 220 = 9.5$

Example 6 Results

The table below shows the judge’s existing benefit entitlement in the FPJPS, and the total benefit entitlement at retirement under the proposed methodology based on the judge transferring accrued service to the FPJPS on 31 March 1995 (if the relevant salaried judge was able to join JURPA at this date).

	Existing FPJPS benefit entitlement <i>For comparative purposes</i>	Total benefit entitlement <i>Accrued reckonable service transferred to FPJPS on 31 March 1995</i>
Service included	Post 6 April 2000 only	All
Pension at retirement (pa)	£23,750	£42,500
Lump sum at retirement	£53,438	£95,625
Contingent dependant’s pension (pa)	£11,875	£21,250
Normal Pension Age	65	65

All numbers have been rounded up to the nearest £1.

Interested parties should note that:

1. Full details of the calculations for each benefit shown are set out in the coloured boxes on the following pages.
2. The total benefit entitlement is what would be payable to the judge including his or her existing FPJPS benefit entitlement.
3. The numbers above are at retirement. No allowance has been made for pension increases that would be applied between retirement and the present day.
4. No allowance has been made for the backdated pension contributions that would be due from the example judge.
5. Where applicable, we understand that MOJ are to pay arrears of pension (including interest at an agreed rate) from the date of retirement to the present day. These arrears are not included in the results above.

Example 6: Existing FPJPS benefit entitlement

Existing FPJPS pension entitlement is generally calculated as:

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service after 6 April 2000} \right) \times \frac{1}{40} \times \left(\text{Appropriate annual salary} \right)$$

In this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS), so the ERRF applied at retirement was 1, and the judge's existing FPJPS pension entitlement was:

$$1 \times 9.5 \times \frac{1}{40} \times \text{£}100,000 = \text{£}23,750 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}23,750 = \text{£}53,438$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}23,750 = \text{£}11,875 \text{ pa}$).

Example 6: Reckonable service transferred to FPJPS on 31 March 1995

MOJ propose to transfer accrued reckonable service for this group of judges to the FPJPS on 31 March 1995 if the relevant salaried judge was able to join JUPRA at this date.

In this example, if the judge transferred his or her accrued reckonable service to the FPJPS on 31 March 1995, their pension entitlement would be calculated as:

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service before 31 March 1995} \right) \times \left(\text{FPJPS service credit multiplier} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

PLUS

$$\left(\text{Early retirement reduction factor} \right) \times \left(\text{Reckonable service on or after 31 March 1995} \right) \times \left(\frac{1}{40} \right) \times \left(\text{Appropriate annual salary} \right)$$

The FPJPS service credit multiplier for a by analogy PCSPS classic scheme is 0.5 (see Appendix A) and, in this example, the fee-paid judge retired after age 65 (the normal pension age in the FPJPS) so the ERRF is 1. The member's pension entitlement is therefore calculated as:

$$\left(1 \times 10 \times 0.5 \times \left(\frac{1}{40} \right) \times \text{£}100,000 \right) + \left(1 \times 12 \times \left(\frac{1}{40} \right) \times \text{£}100,000 \right) = \text{£}42,500 \text{ pa}$$

Under the scheme regulations the member is also entitled to a lump sum of 2.25 times their annual pension at retirement ($2.25 \times \text{£}42,500 = \text{£}95,625$) and, in the event of the member's death, an eligible partner would receive a dependant's pension equal to 50% of their annual pension ($50\% \times \text{£}42,500 = \text{£}21,250 \text{ pa}$).

Appendix A: Scheme benefits

The benefits available in the **Fee-Paid Judicial Pension Scheme (FPJPS)** are set out in The Judicial Pensions (Fee-Paid Judges) Regulations 2017².

The examples in this paper which relate to the **JPA 1981 15-year scheme** are based on the benefits available for circuit judges in England or Wales, as set out in Section 5 of the Judicial Pensions Act 1981³.

The examples in this paper which relate to the **JPA 1981 20-year scheme** are based on the benefits available for stipendiary magistrates in England and Wales, as set out in Section 7 of the Judicial Pensions Act 1981⁴.

The **service credit multipliers** to be applied to a judge's accrued reckonable service in order to provide service credits in the FPJPS are set out in regulation 4 of The Judicial Pensions (Transfer Between Judicial Pension Schemes) Regulations 1995⁵.

	FPJPS	JPA 1981 15-year scheme	JPA 1981 20-year scheme
Accrual rate	1/40	Variable	Variable
Lump sum factor	2.25	2	2
Partner's proportion	50%	50%	50%
Service cap	20	15	20
Normal pension age (NPA)	65 ^a	65 ^b	65 ^c
FPJPS service credit multiplier	N/A	1.25	1

^a or upon reaching 5 years of qualifying service, if later.

^b or upon reaching 15 years of qualifying service, if later, subject to a maximum retirement age of 70.

^c or upon reaching 2 years of qualifying service, if later.

² <https://www.legislation.gov.uk/uksi/2017/522/contents/made>

³ <https://www.legislation.gov.uk/ukpga/1981/20/section/5>

⁴ <https://www.legislation.gov.uk/ukpga/1981/20/section/7>

⁵ <http://www.legislation.gov.uk/uksi/1995/636/contents/made>

Appendix B: Limitations

This paper has been prepared for the use of MOJ and the Employment Tribunal. Its purpose is to provide worked examples of MOJ's proposed method for providing a pension remedy to eligible fee-paid judges. This follows the 7 November 2018 judgment of the Court of Justice of the European Union in relation to the O'Brien/Miller & Others litigation⁶.

We are content for MOJ to provide this paper to the Employment Tribunal in relation to this litigation and to publish it online, provided that:

- it is released in full;
- the advice is not quoted selectively or partially;
- GAD is identified as the source of the report; and,
- GAD is notified of such release.

Other than MOJ and the Employment Tribunal, no person or third party is entitled to place any reliance on the contents of this paper, 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 paper.

The calculations are based on GAD's interpretation of the rules of the pension schemes and MOJ's proposed methodology, as set out in this paper. MOJ have confirmed that this is in line with their interpretation.

This paper sets out the worked examples requested by MOJ only. GAD are not lawyers or tax experts and we have not considered the legal or tax implications of MOJ's proposed remedy.

This work has been carried out in accordance with the applicable Technical Actuarial Standard: TAS 100 issued by the Financial Reporting Council (FRC). The FRC sets technical standards for actuarial work in the UK.

⁶ <http://curia.europa.eu/juris/celex.jsf?celex=62017CJ0432&lang1=en&type=TEXT&ancre=>