



Government
Actuary's
Department

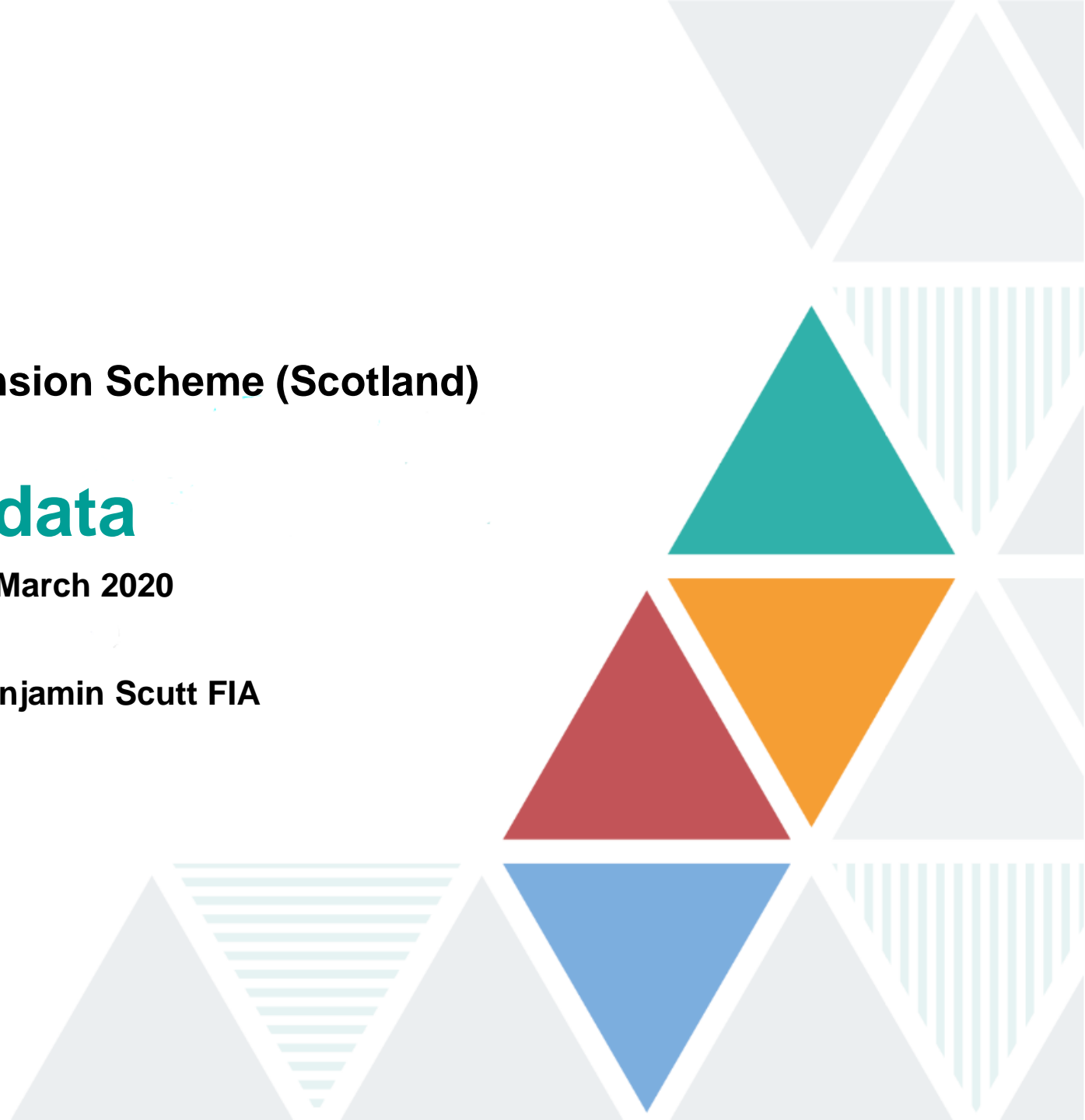
Local Government Pension Scheme (Scotland) (LGPS Scotland)

Membership data

Actuarial valuation as at 31 March 2020

Michael Scanlon FIA and Benjamin Scutt FIA

1 March 2024



Highlights

LGPS Scotland valuation data



590k

Members as at
31 March 2020

+ 6.2% vs. 2017

Initial data quality

98.4%

Proportion of 'at 31 March 2020' records provided
which we are able to use.

Improvement vs. 96.2% in 2017

Key headlines

The quality of the 2020 LGPS Scotland valuation data as at 31 March 2020 has slightly improved compared with the data used for the 2017 valuation.

2020 was again a local fund valuation year (like the 2017 valuation) and hence data of broadly comparable quality to the last valuation was as expected.

All funds provided 2020 data as was the case in 2017.

Data quality after checks and adjustments



After making necessary adjustments detailed in this report, we conclude that the data is appropriate for the purpose of the 2020 LGPS Scotland valuation. However, a different approach to adjusting data could still lead to different valuation results.

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Any terms that appear in this report in **underlined text** are defined in the **Glossary**.

At the Government Actuary's Department ('GAD'), we seek to achieve a high standard in all our work. We are accredited under the Institute and Faculty of Actuaries' Quality Assurance Scheme. Our website describes [the standards](#) we apply.

1. Introduction

Who is this report for?

This report is addressed to Scottish Ministers. HM Treasury's Directions ('the Directions') requires the scheme actuary to provide information about the scheme and data. The purpose of this report is to provide the data we will be using and to help readers be confident that the results of the valuation are fit for purpose.

Why has the data been collected?

This data is needed to carry out an actuarial valuation of the LGPS Scotland as at 31 March 2020, in accordance with HM Treasury's Directions ('the Directions'). This data will be used to set actuarial assumptions, and together the data and assumptions will be used to calculate valuation results.

Why is the data important?

The results of the valuation are critically dependent on the quality of the data used. Poor data could lead to employers making different decisions due to paying too high or too low a contribution rate, or to benefit changes being made unnecessarily.

Results

Assumptions

Data

Data is the first and most important building block of an actuarial valuation.

2. Data as at 31 March 2020

Who provided the data?

This data was wholly provided by or on behalf of LGPS Scotland administering authorities.

What is the data used for?

It will be used to calculate the results of the 2020 LGPS Scotland valuation, specifically:

- the cost cap cost of the scheme
- A notional employer contribution rate (but note that employer contribution rates are set in LGPS fund valuations, not by this valuation)
- actuarial liabilities as at 31 March 2020.

Detailed data summaries are included in [Appendix A – Detailed summaries: data as at 31 March 2020](#).



Pension amount includes the April 2020 pension increase

3. Movements data

Where did the data come from?

This movements data for 2017 to 2020 was wholly provided by or on behalf of the LGPS Scotland administering authorities.

What is movements data used for?

We requested movements data in order to review existing assumptions about the scheme membership and propose new assumptions where appropriate. Agreed assumptions are then used to carry out valuation calculations.

Membership reconciliation

This movements data is used to perform a reconciliation which compares data as at 31 March 2017 and 31 March 2020 against movements occurring between this period to check that membership figures are in agreement.

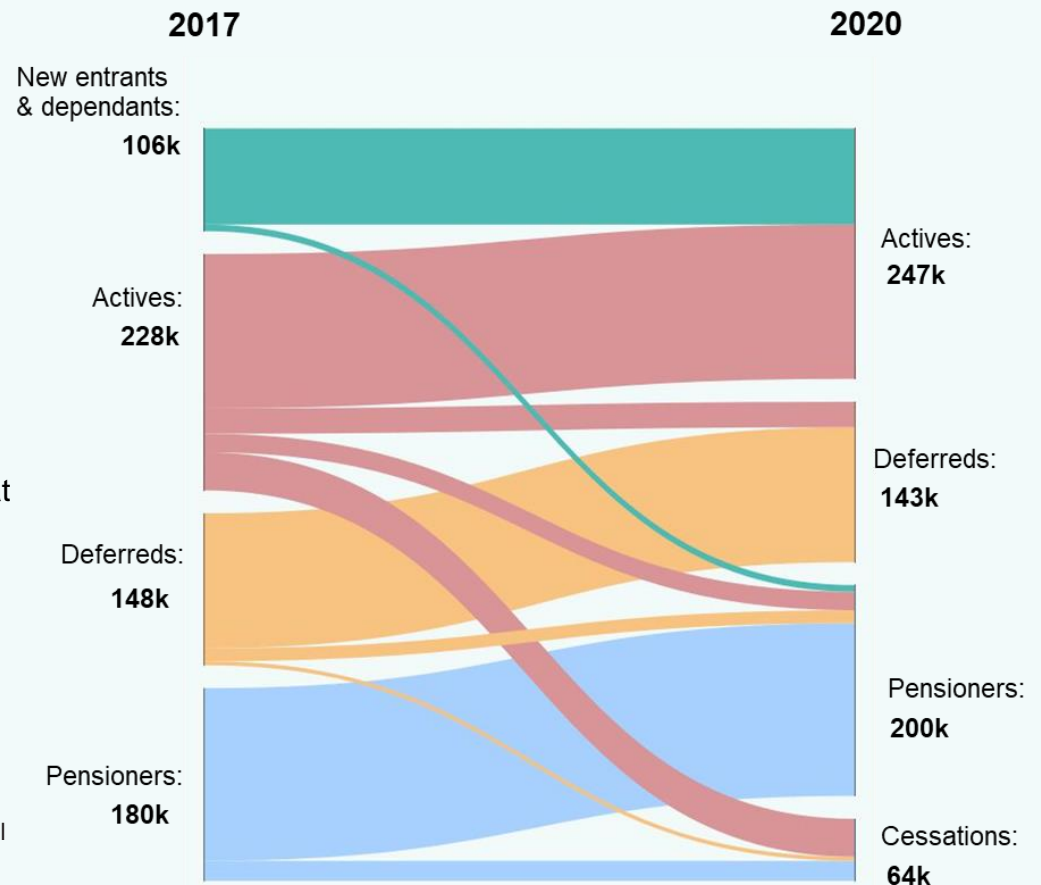
Where can I find out more?

Detailed data summaries are included in [Appendix B – Detailed summaries: movements data](#).

Note: Cessations include member deaths, transfers, withdrawals, refunds and trivial commutations.

What does the chart show?

The chart below summarises movements between member categories from 2017 to 2020. The thicker the line, the greater the number of member movements occurring.



4. Checks and adjustments

Why is this data checked?

We carry out checks to ensure this data is fit for purpose for the valuation. These checks also help us to understand and describe limitations on the valuation results due to data omissions. This is also a professional actuarial requirement.

What checks are carried out?

We carry out checks on aggregated statistics produced from the data, and on a record by record basis. A simplified process diagram is shown to the right.

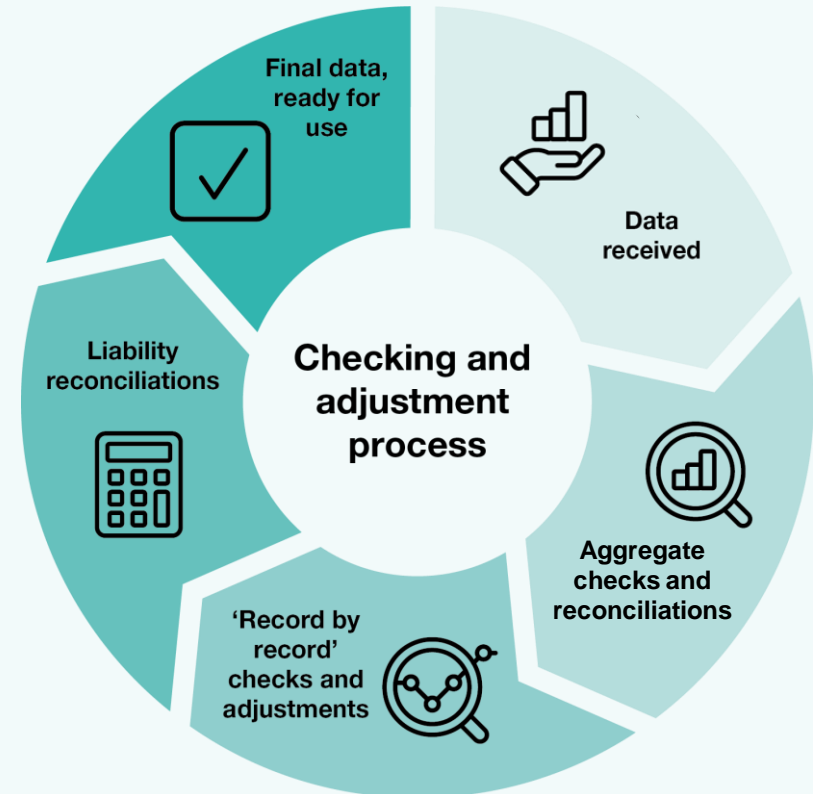
What happens to unreliable data?

Where our checks show that a data record seems to be unreliable, it is either excluded or adjusted. We do this to make sure the data is appropriate for calculating valuation results.

Where we exclude valid data records, we typically compensate for this by scaling up similar, included records.

Where can I find out more?

A detailed summary of what we've done is contained in [Appendix C – Checks, adjustments and uncertainty](#).



After checks & adjustments:

After finalising our checks and adjustments we will consider potential data improvements. We will engage with scheme managers on any issues we have identified to improve future data submissions, where possible and as appropriate.

5. Data quality

Who is responsible for data quality?

Scottish Ministers are responsible for ensuring appropriate data is provided in order to support the legislative requirement to perform a valuation.

The data provided must be in line with our specifications.

Was the data provided of good quality?

The percentage of data which was able to be used and not subject to exclusion. High percentages suggest good quality data.

Based on this statistic, the quality of the 2020 LGPS Scotland valuation data as at 31 March 2020 is an improvement on the data used for the 2017 valuation.

Can the data be used for the valuation?

Yes. After making the adjustments detailed in this report, we believe the data is appropriate for the purposes of the 2020 valuation.

Initial data quality

98.4%

Proportion of 'at 31 March 2020' records provided which we are able to use

Improvement vs. 96.2% in 2017

97.3%

Actives

98.7%

Deferreds

99.5%

Pensioners

Improvement vs. 96.3% in 2017

Improvement vs. 92.5% in 2017

Improvement vs. 99.2% in 2017

Data quality after checks & adjustments



After making the necessary adjustments detailed in this report, we conclude that the data is appropriate for the purpose of the 2020 LGPS Scotland valuation.

6. Impact of data limitations

Do data limitations cause uncertainty?

Yes. Our checks and adjustments aim to ensure that the data is appropriate for use in valuation calculations. However, our checks do not constitute a full audit of the data and our adjustments, although reasonable in our view, may not mean that the dataset adopted accurately reflects the true data of the scheme. This means that there is **residual data uncertainty**.

Is data uncertainty a significant issue?

Residual data uncertainty can potentially have an impact on valuation results, including for example on the cost cap cost of the scheme and any resulting impact on member benefits.

However, in large and complex data sets this uncertainty is normal and is not usually a cause for concern.

In our view, the residual uncertainty present in this data is not significant enough to dissuade users from taking actions recommended from this valuation.

Where can I find out more?

A more detailed summary of residual data uncertainty is set out in [Appendix C – Checks, adjustments and uncertainty](#).



7. Limitations

Data

In preparing this report, GAD has relied on data and other information supplied by or on behalf of LGPS Scotland administering authorities as described in the report. GAD has not sought independent verification around its general completeness and accuracy (beyond our comparisons with local government pension scheme statistics).

Any checks that GAD has made are limited to those described in the report, including those relating to the overall reasonableness and consistency of the data. These checks do not represent a full independent audit of the data supplied.

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.

HM Treasury Directions

Throughout this report, in any place where we indicate the potential variability of valuation results – these take into account the HM Treasury Directions for the 2020 valuations.

Sharing

This report has been prepared for the use of SPPA and Scottish Ministers. We are content for SPPA to release this report to third parties, provided:

- 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 SPPA and Scottish Ministers, no person or third party is entitled to place any reliance on the contents of this report, 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 report.

This report will be published by GAD as part of completing the 2020 valuation of the Scheme.

Compliance statement:

This report has been prepared in accordance with the applicable Technical Actuarial Standards: TAS 100 and TAS 300 issued by the Financial Reporting Council (FRC). The FRC sets technical standards for actuarial work in the UK.

Appendix A

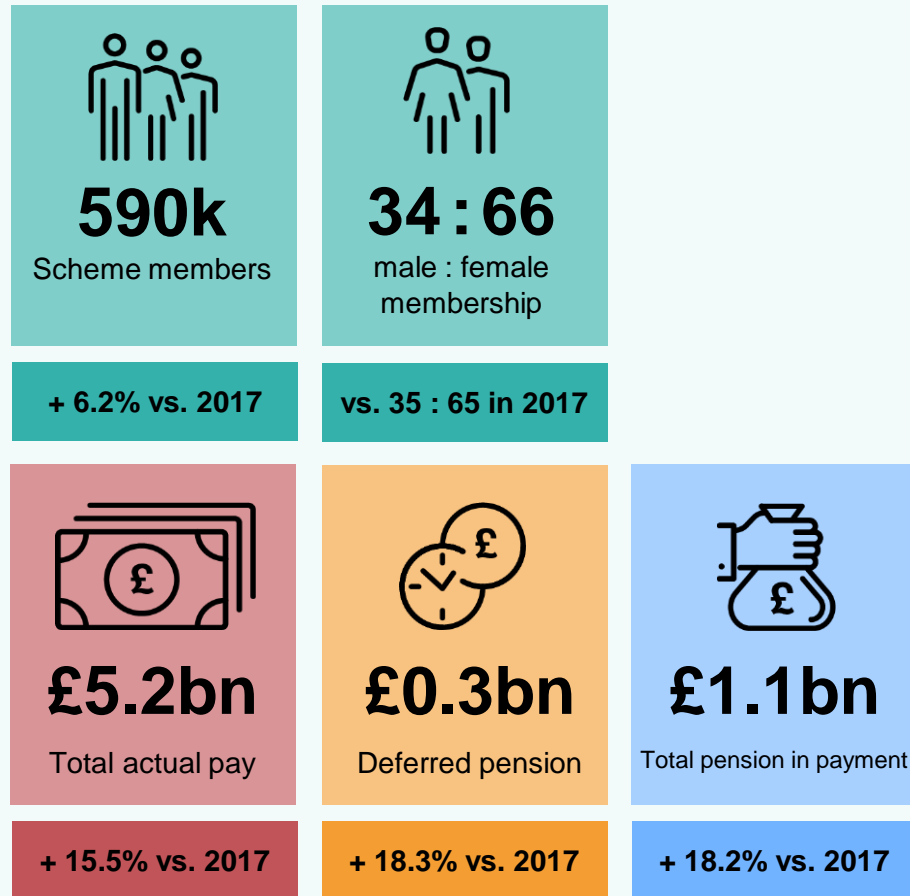
Detailed summaries: Data as at 31 March 2020



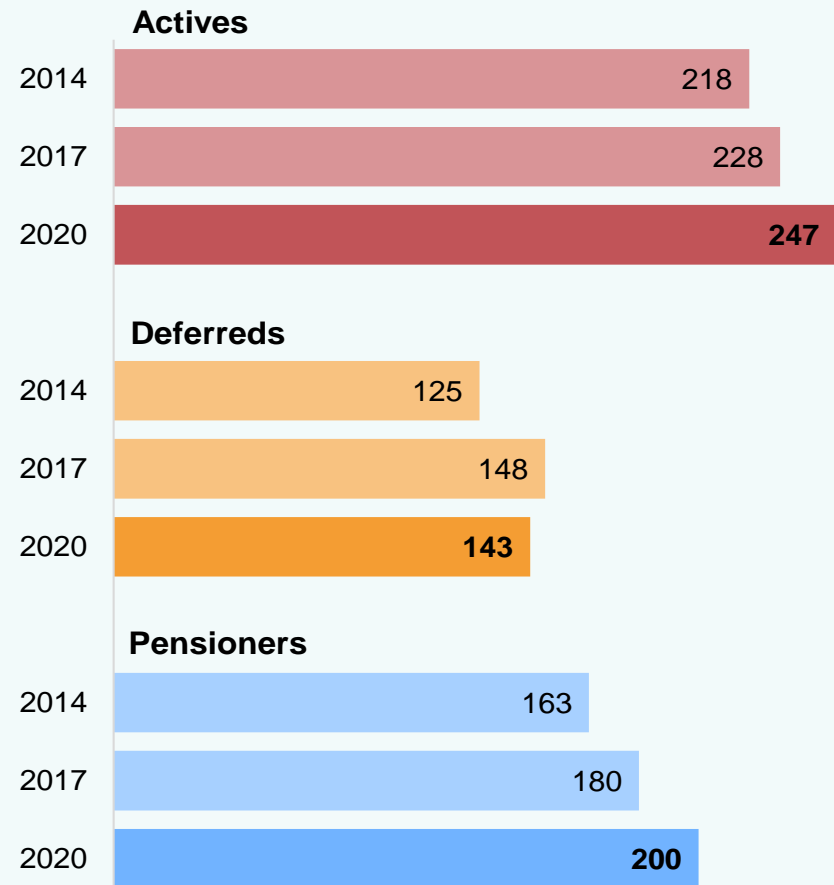
Scheme data

As at 31 March 2020

Summary statistics



Membership over time (000's)



Pension amount includes the April 2020 pension increase

Scheme membership

As at 31 March 2020

A single individual may have multiple member records in the LGPS pension scheme. For example, they may have worked for different LGPS employers (possibly in different funds) and not aggregated their service. Throughout this report, we analyse the member records rather than individual members.

There are significantly more female than male members across all categories.

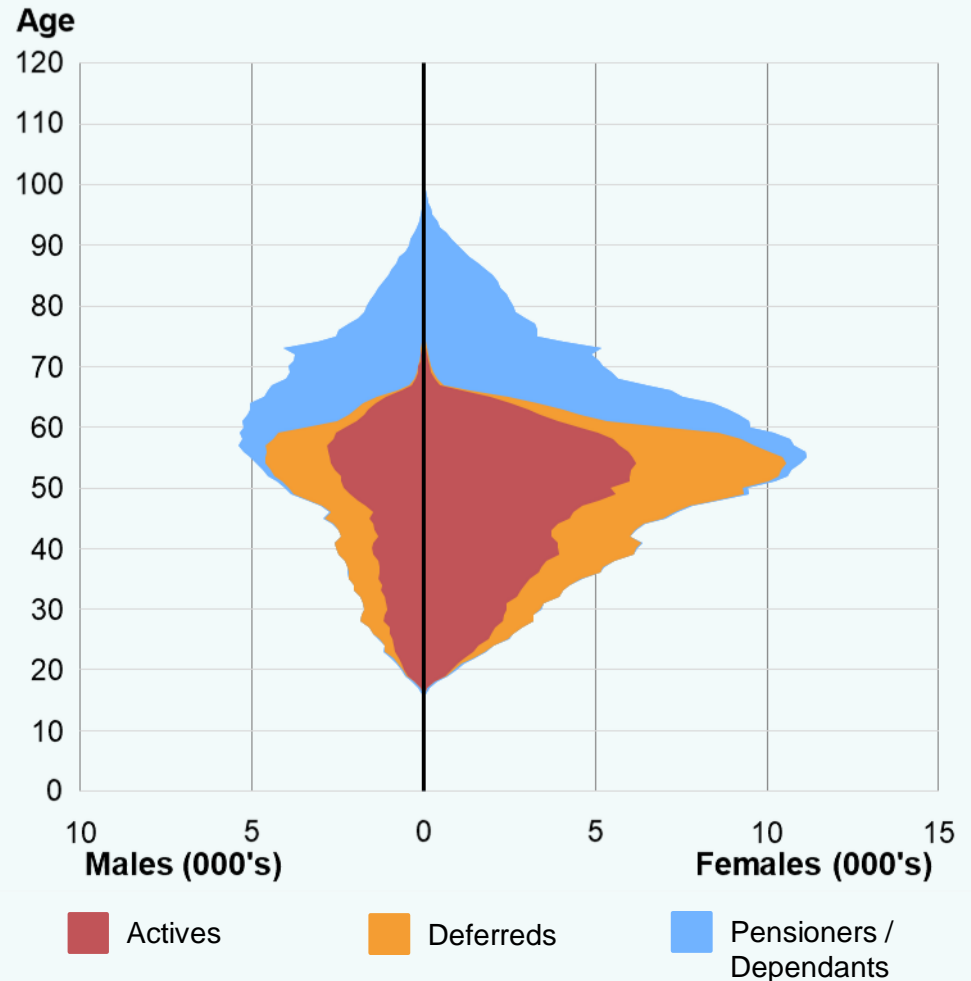
Pensioner / dependant numbers begin increasing from around age 50.

This corresponds with generally declining numbers of active members and deferred members above age 55.

Where can I see more?

[Appendix D – Tables of summary statistics](#)

Membership distribution



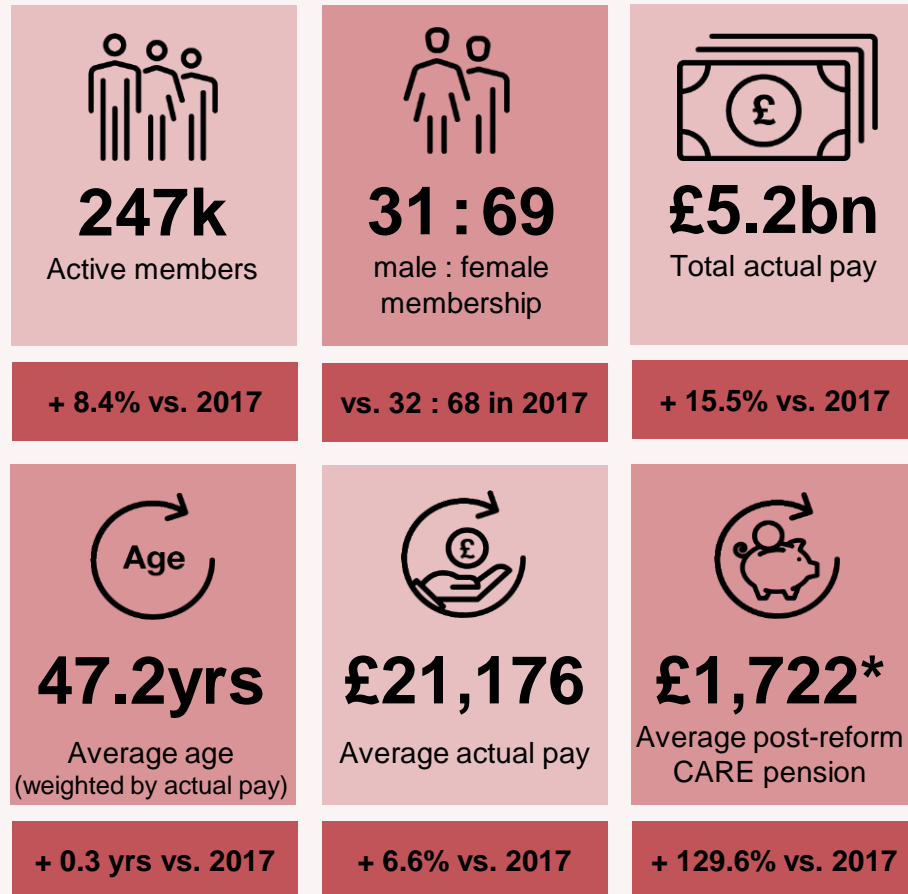
Actives



Actives data

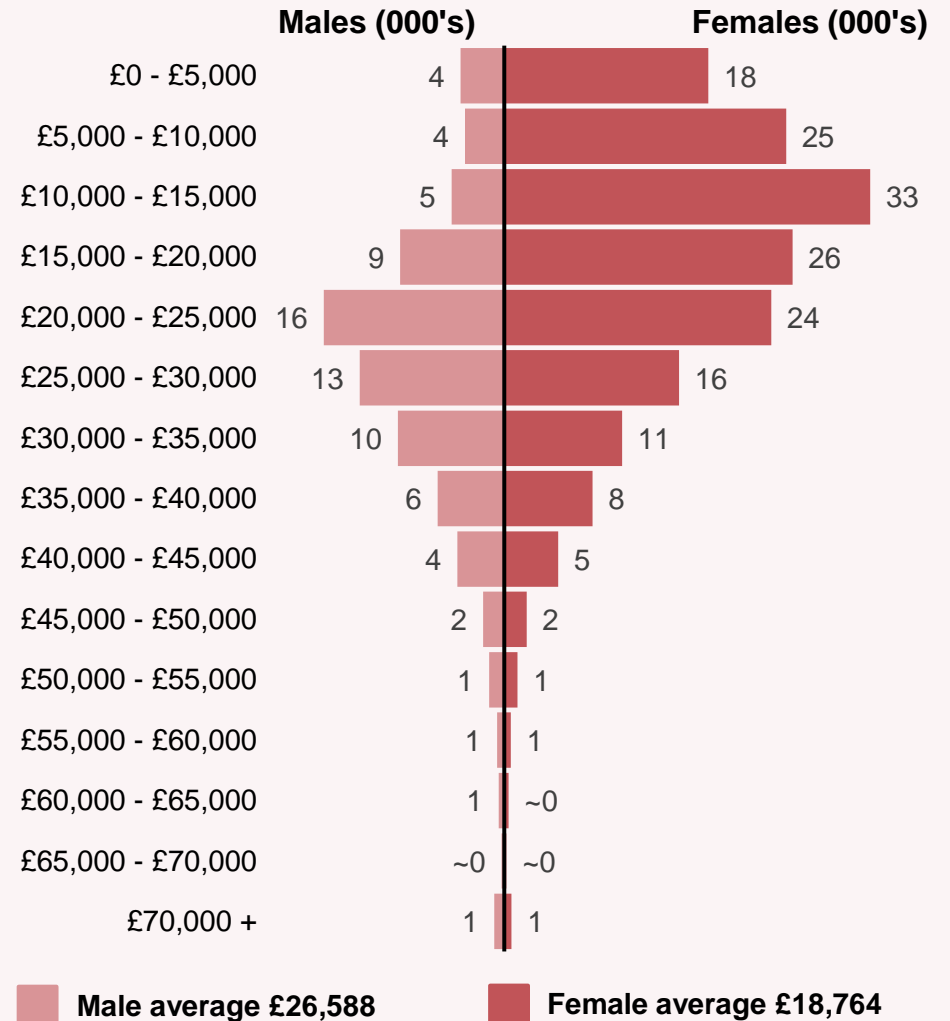
As at 31 March 2020

Summary statistics



Pension amount includes the April 2020 [pension increase](#)
 *Average is only for members who have post reform CARE pension

Actual pay distribution



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Active membership

As at 31 March 2020

There are more female member records across all ages.

The number of member records by age peaks in around the 50s.

There are some fluctuations in active membership numbers by age, but overall the active membership profile by age is similar in 2020 compared with 2017.

The majority of active members are post 2015 joiners (shown by the darkest shade). Amongst the pre-2015 joiners, the largest group is members with Critical Retirement Age (CRA) 65 (either joiners on or after 1 December 2006, or joined before that date but Rule of 85 not satisfied before age 65). However, there are still significant groups with CRA 60 and CRA between 61 and 64. Over time, these closed groups, and the CRA 65 group, will age and retire.

Membership distribution



Where can I see more?

[Appendix D – Tables of summary statistics](#)

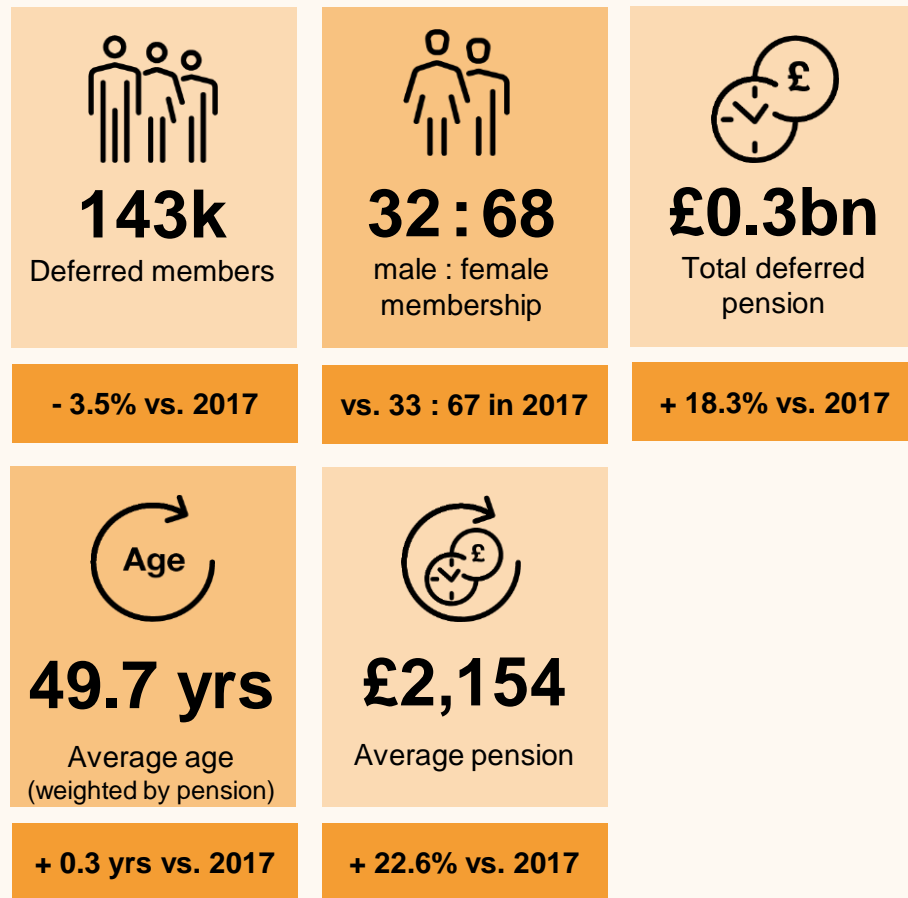
Deferreds



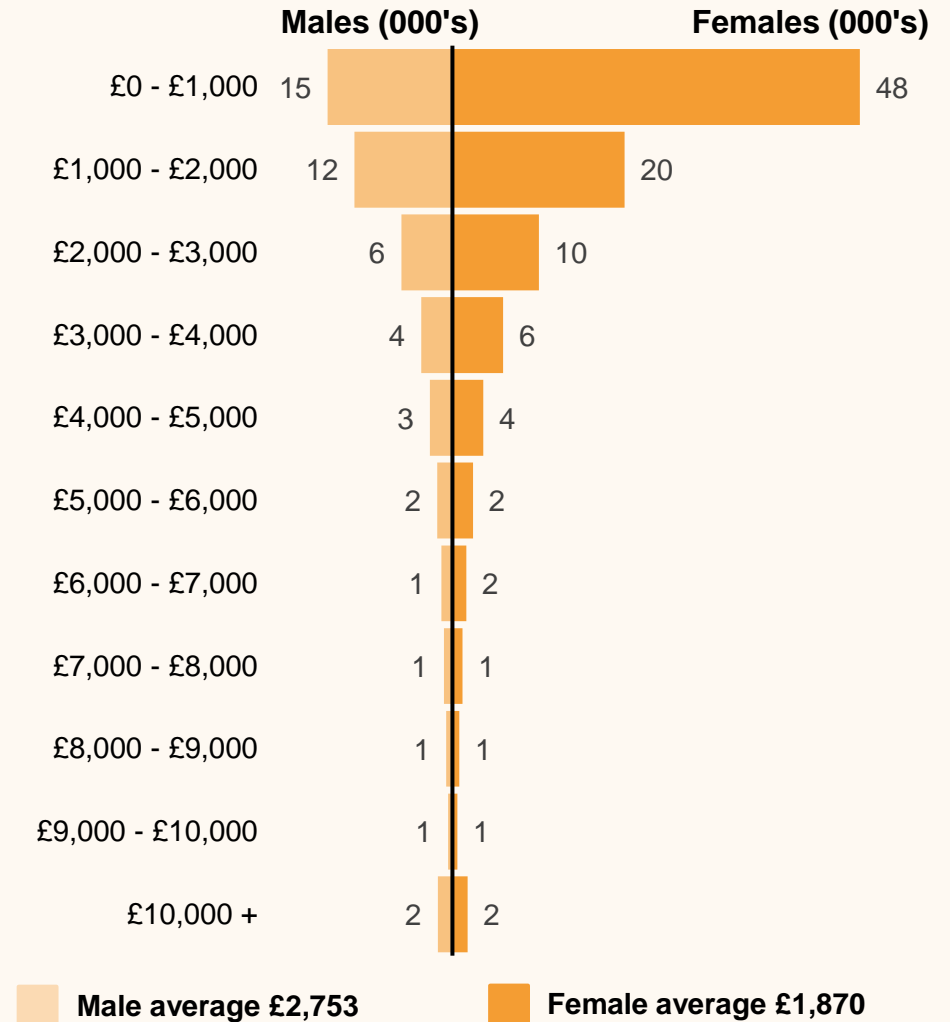
Deferreds data

As at 31 March 2020

Summary statistics



Deferred pension distribution



Pension amount includes the April 2020 pension increase

Deferred membership

As at 31 March 2020

There are more female member records across all ages.

The number of member records by age peaks in the 50s. There are a few deferred member records over normal pension age, who may have not yet claimed the pension they are entitled to.

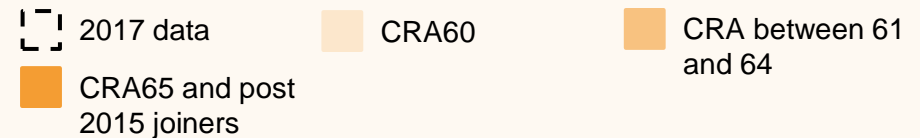
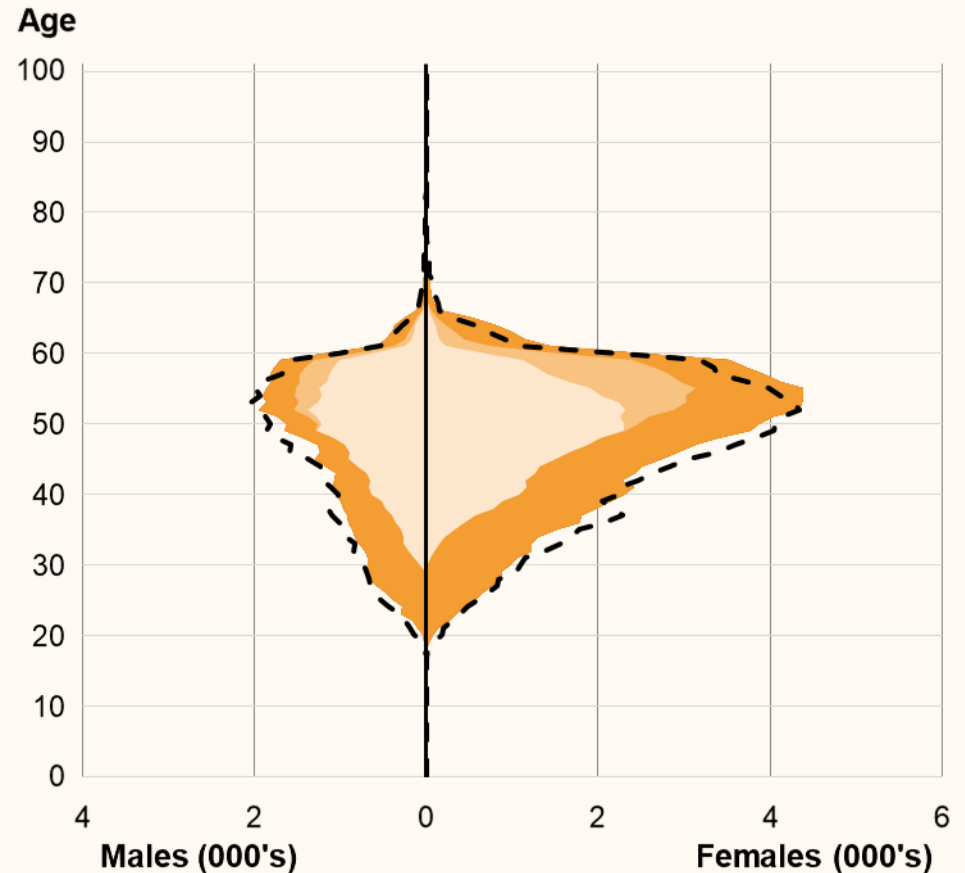
There are fewer deferred member records at 2020 than at 2017, but the profile by age is similar.

The deferred member records are roughly equally split between:

- those with normal pension age 65 (CRA 65 group) or at State Pension age (post 2015 joiners) - shown by the darkest shade, and
- those with an earlier CRA below age 65 – shown by the two lighter shades

Over time, these closed groups and the CRA 65 group will age and retire.

Membership distribution



Where can I see more?

[Appendix D – Tables of summary statistics](#)

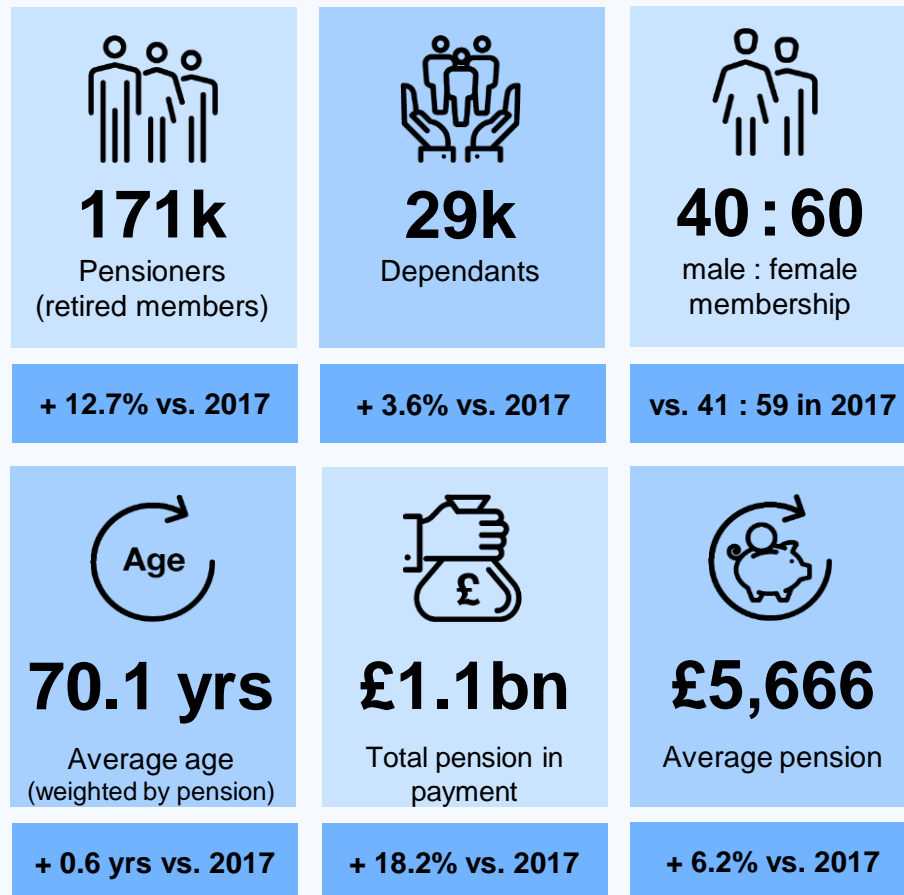
Pensioners



Pensioner data

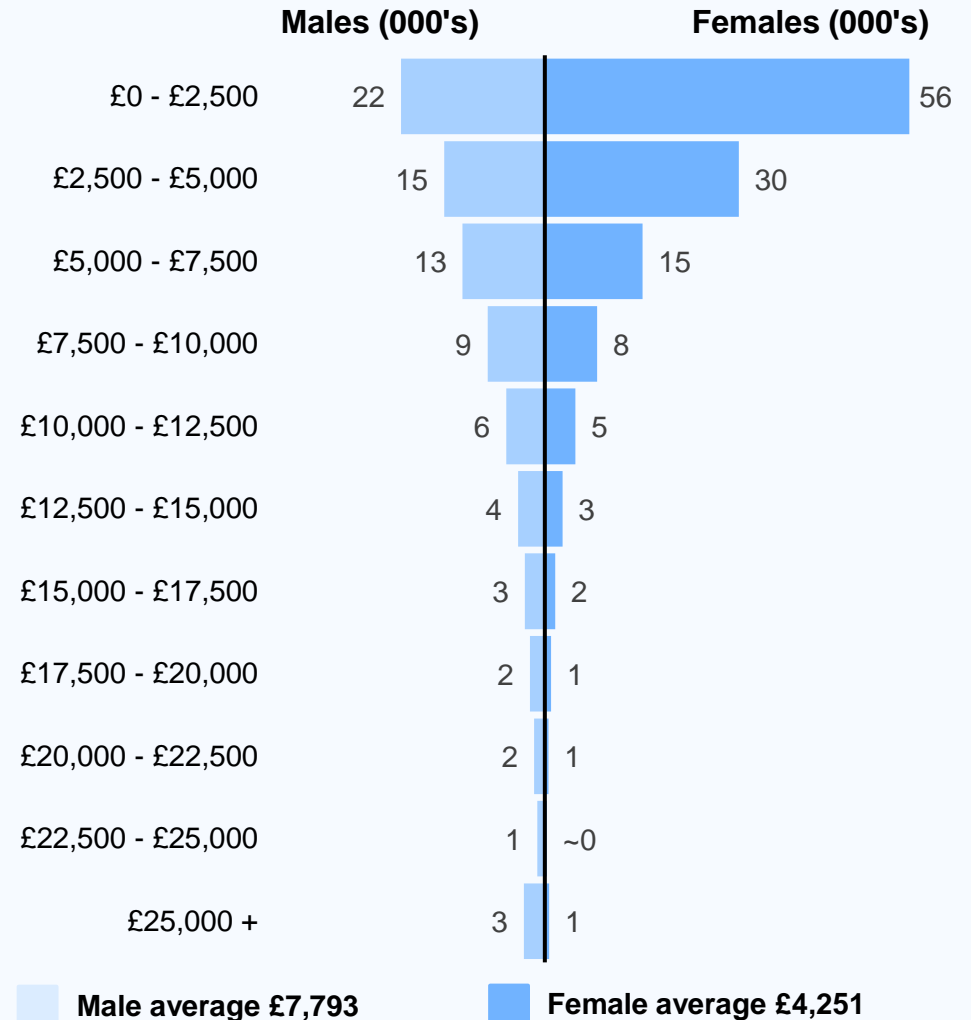
As at 31 March 2020

Summary statistics



Pension amount includes the April 2020 pension increase

Pensioner data pension distribution



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Pensioner membership

As at 31 March 2020

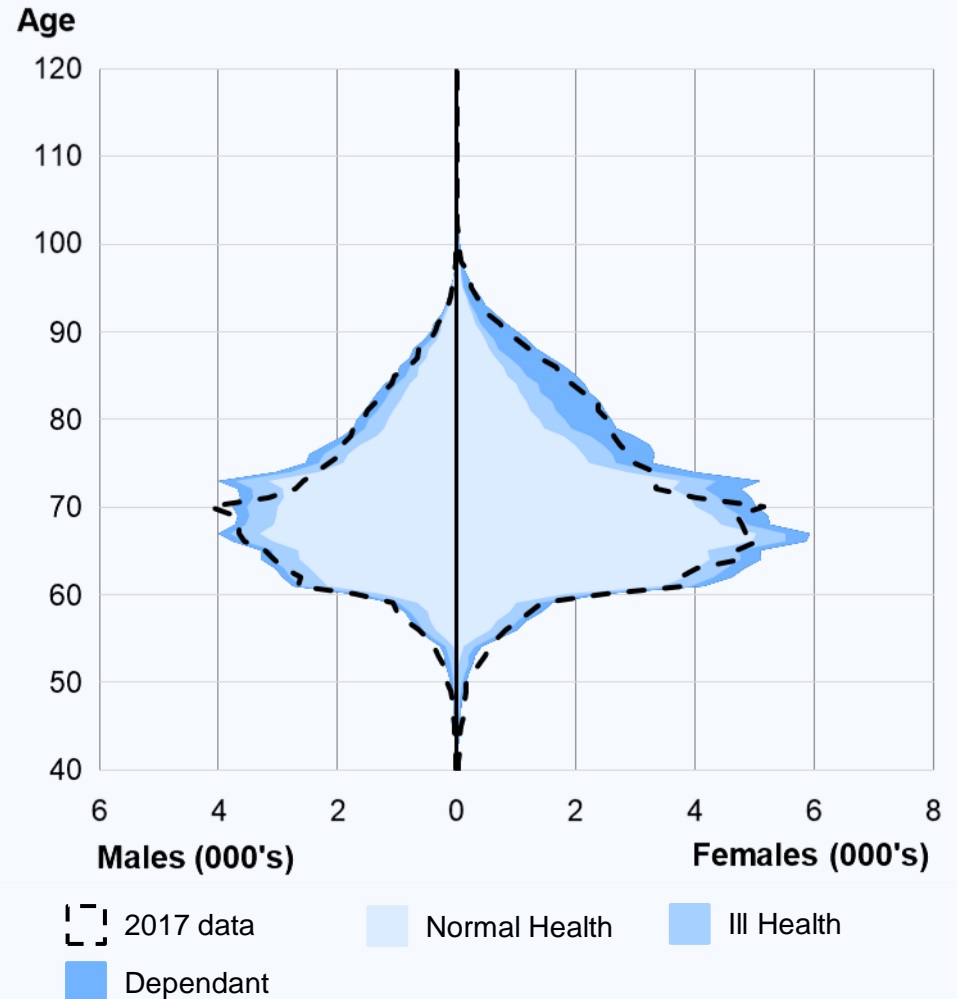
Membership distribution*

There are more female than male pensioner records across all ages.

The number of pensioner member records by age peaks around the late 60s.

Overall, compared with 2017 (shown by the dotted black line), the pensioner population has aged in line with broad expectations.

The majority of pensioners are those who retired in normal health (shown by the lightest shade). There are also those who retired in ill-health and dependants (including children).



Where can I see more?

[Appendix D – Tables of summary statistics](#)

*This chart does not show members aged below 40 years.

Appendix B

Detailed summaries: Movements data



Membership movements

31 March 2017 to 31 March 2020

Actives

New entrants to active status include people who are new to the LGPS, as well as those who may be returning to employment. Dependants include those who have become in receipt of a reversionary pension following the death of an active member.

Cessations include member deaths, transfers, withdrawals, refunds and trivial commutations.

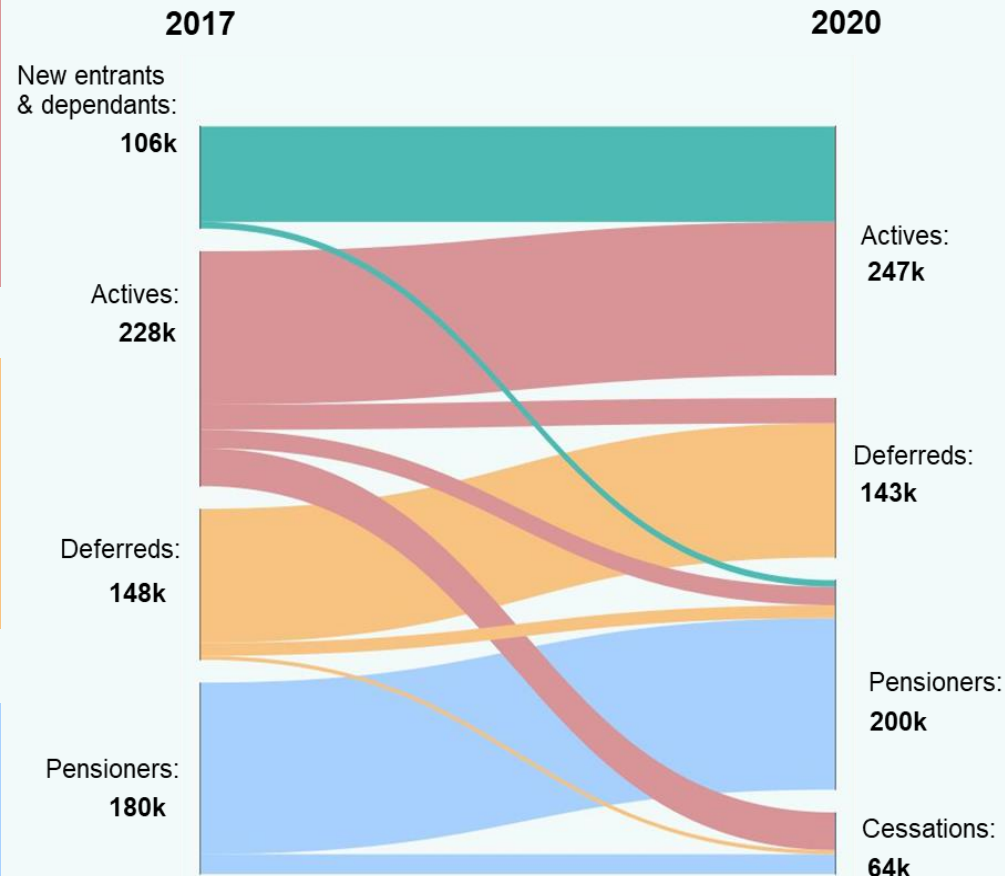
Deferreds

The movement between active and deferred status is shown on a net movements basis, that is the total number of members moving from active to deferred status less the number of deferred members returning to employment, where applicable.

Cessations include member deaths, transfers, refunds and trivial commutations.

Pensioners

Reasons for cessation from pensioner status include pensioner deaths and members no longer being eligible for a pension from the Scheme – for example, child pensions ceasing at a certain age or on leaving education.



Membership movements

31 March 2017 to 31 March 2020

This table shows how the number of members in each category has changed over the period 31 March 2017 (top row) to 31 March 2020 (bottom row).

The intermediate rows summarise the membership movements provided over the period, as illustrated in the previous slide.

Reconciliation

The expected number of members in each category at 31 March 2020 is set out in the second last row of the table. This reflects the starting position at 31 March 2017 and the movements data provided.

There are a number of differentials between this expected position and the actual position at 31 March 2020.

- Actives: **5k** members
- Deferreds: **-13k** members *
- Pensioners: **2k** members.

These differences are within our tolerance levels for a scheme of this size, so no further action needs to be taken. Such differences are not unusual where previous data sets were subject to up-rating.

* The deferred reconciliation is affected by the reduction in 'undecided leavers' and the exclusion of frozen records (see Appendix C).

	Actives ('000s)	Deferreds ('000s)	Pensioners ('000s)
Number at start of period:	228	148	180
New members:			
New entrants	99	-	-
New dependants	-	-	7
Movements between categories:			
Leavers from active service	-26	26	-
Age related retirements	-17	-13	29
Ill-health retirements	-2	~0	3
Cessations with no ongoing liability:			
Member deaths	-1	-1	-13
Dependant deaths	-	-	-5
Other exits	-38	-3	-3
Number expected at end of period:	243	156	198
Valuation data at end of period:	247	143	200
Difference: *	5	-13	2

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* may not sum due to rounding

Appendix C

Checks, adjustments and uncertainties



Checking and adjustment process



1. Data received

Our work starts when schemes provide data. This is collated and processed to remove any unnecessary personal information and to encrypt any personal information that needs to be retained.

All member data provided and discussed in this report was supplied to GAD either directly by the individual local authorities or via their appointed administrators.

2. Aggregate checks and reconciliations

Initial checks carried out on the data are at an overall level, as opposed to an individual record basis.

Any unexpected changes compared to previous datasets are identified.

The data provided is then reconciled against that from a separate source (e.g. local government records) to check for any potential issues.

3. 'Record by record' checks and adjustments

If the data passes our initial checks, we then undertake a series of automated, record-by-record checks to remove records that are deemed unreliable. For example, duplicate records, or those with missing key data. Where individual records are excluded, remaining records with similar characteristics are typically rated up to compensate for this, where appropriate.

4. Liability reconciliation

At the final checking stage, we use the adjusted data to calculate actuarial liabilities and reconcile them against those calculated in 2017, adjusted for cashflow information.

5. Final data, ready for use

After completion of checks and adjustments, the dataset is ready for calculating valuation results. We then decide whether, in our opinion, it is fit for the purpose of making decisions based on the valuation results.

If we notice significant issues at any stage of our checking process, we request new or additional data from the scheme administrator in order to correct or allow for them.

‘Record by record’ checks and adjustments

Process, limitations & uncertainty

We exclude individual records that have missing or unreliable key data and rate up similar remaining records to replace them, where appropriate.

This process assumes that the membership profile of excluded records is consistent with the profile of the similar reliable records. However, to the extent that this is not the case, there is a degree of uncertainty in the valuation results. Further details are set out in the section of this appendix titled “Residual Data uncertainty”.

Overall, we believe this is a reasonable approach to take given the scarcity of alternative information.

Top 3 reasons for excluding records*

2,636	Active member joined scheme before 31 March 2015 but has no reckonable service (rated up)
2,519	Active member joined scheme after valuation date (not rated up)
1,383	Deferred member pension outside of reasonable range (£1 - £100,000) (rated up)

* Some members may fail more than one exclusion check. Only one exclusion will apply in such cases. As a result, the total number of members failing a check can exceed the number of exclusions.

Summary of excluded records

6,667 Actives excluded 2.7% of total records	1,852 Deferreds excluded 1.3% of total records	1,101 Pensioners excluded 0.5% of total records
Improvement vs. the 3.7% 2017 exclusion	Improvement vs. the 7.5% 2017 exclusion	Improvement vs. the 0.8% 2017 exclusion

Overall 1.6% of total records were excluded (Improvement compared with the 3.8% excluded in 2017).

Further information

After finalising our checks and adjustments we will consider potential data improvements. We will engage with scheme managers on any issues we have identified to improve future data submissions, where possible and as appropriate.

Liability reconciliation

Summarised results

At the final data checking stage we carry out the following reconciliation.

Reconciliation against 2017 valuation results

This step assesses the expected versus calculated value of the scheme's actuarial liability as at 31 March 2020. The expected liability is calculated by adjusting the 2017 liabilities for cashflow information from the scheme's Local Financial Returns, allowing for known pension increases and salary awards since 2017. Differences between expected and calculated liabilities could imply missing or incorrect data.



This check is within our tolerance levels.

Tolerance levels and uncertainty

All reconciliations have a **tolerance level**, within which we accept any differences and move on. Our tolerance levels vary between checks, depending on the level of accuracy we believe appropriate.

If differences fall outside of the acceptable tolerance levels, further investigations are carried out before deciding whether to accept, adjust, or reject the data provided.

Limitations

The results of these checks are heavily dependent on the accuracy and completeness of the information contained in the Local Financial Returns.

If any of this information is materially inaccurate the results of our checks will also be inaccurate. We believe this is a low risk, as the figures from the Local Financial Returns have been audited.

Other non-standard adjustments

Summary

In addition, we sometimes make adjustments to data provided to correct known data issues. We only do this when requested, and when it is more efficient for us to make simple changes than to request new data from administrators.

The key adjustments we have made are detailed below.

Actives:

- A pay multiplier was applied (for those who joined less than 1 year ago) to the actual pay for each record.
- Where a member is missing the actual pay value, this is substituted with 80% of the FTE pay.
- Critical Retirement Age (CRA) for each member was set to 60, 62 or 65 depending on their age at Critical Retirement Date (CRD).

Deferreds:

- Within 'deferreds' we have included the main 'deferred' data set and 'undecided leaver' records in the 'frozen' dataset. We have not valued other records in the 'frozen' dataset on grounds of materiality to the ongoing cost of benefit provision. This is a change from the last valuation which included the 'frozen' dataset.
- CRA has been calculated for deferred members based on service dates, where not available in the data.

All records:

- Pension amounts have been adjusted to include the April 2020 CARE revaluation / pension increase where appropriate.

Limitations and uncertainty

The extent to which the true data differs from the adjusted data we use in our calculations creates a degree of **uncertainty** in the valuation results. More details are set out in the section of this appendix titled 'residual data uncertainty'.

Residual data uncertainty

Summary

The previous sections of this appendix have described the checks and adjustments made to the data to ensure it is fit for the purpose of calculating valuation results.

However, there are risks that the adjustments we have made do not truly represent the underlying data of the scheme, or that the data provided did not truly represent the underlying data of the scheme and we have not made the necessary adjustments to ensure that it does.

Potential impact on valuation results

We are comfortable that the checks and adjustments that have been made are reasonable and that the data is appropriate for the purpose of the 2020 valuation.

In our opinion, there is no impact expected from data uncertainty on member outcomes (via the cost control mechanism).



After making necessary adjustments detailed in this report, we conclude that the data is appropriate for the purpose of the 2020 LGPS Scotland valuation.

Appendix D

Tables of summary statistics



Summary statistics – introduction

Categorisation

The membership data in this appendix is categorised by section. Where applicable, members are assigned to the legacy section (CRA60, CRA between 61 and 64 and CRA65 pre 2015 joiners) that they have already accrued benefits in, even if they have now started to accrue benefits in the reformed section (CRA65 post 2015 joiners). This means that:

- Members who have legacy benefits only as at 31 March 2020 will be categorised under their respective legacy section.
- Members who have a combination of legacy and reformed benefits as at 31 March 2020 having transitioned from a legacy to reformed scheme will be categorised under their respective legacy section.
- Members who have reformed benefits only as at 31 March 2020 will be categorised under the reformed section.

Interpretation

This rest of this appendix summarises the scheme data, after adjustments, into a series of tables. An example is shown below.

The first number in each section of the table, in bold text, shows data as at 31 March 2020. The second number, in standard text, shows the change from data as at 31 March 2017 to data as at 31 March 2020.

Positive changes show increases between 2017 and 2020 and negative changes show decreases.

Example table

Section	Males	Females	Total
Legacy section 1	100 +10	100 +10	200 +20
Legacy section 2	100 +10	100 +10	200 +20
Reformed section	100 +10	100 +10	200 +20
All sections	300 +30	300 +30	600 +60

Summary statistics – actives

As at 31 March 2020

Number of members (000's)

Section	Males	Females	Total
CRA60	22	33	54
	- 5	- 7	- 12
CRA between 61 and 64	4	13	18
	- 1	- 4	- 5
CRA65 (pre-2015 joiner)	21	49	69
	- 7	- 15	- 22
CRA65 (post-2015 joiner)	29	77	106
	+ 16	+ 43	+ 58
All sections	76	171	247
	+ 2	+ 17	+ 19

Average age* (years)

Section	Males	Females	Total
CRA60	51.3	49.8	50.5
	+ 1.7	+ 1.9	+ 1.8
CRA between 61 and 64	57.5	57.3	57.4
	+ 1.8	+ 2.0	+ 1.9
CRA65 (pre-2015 joiner)	47.5	47.6	47.6
	+ 1.7	+ 2.1	+ 1.9
CRA65 (post-2015 joiner)	41.9	41.3	41.5
	+ 1.9	+ 1.9	+ 1.9
All sections	47.8	46.7	47.2
	+ 0.4	+ 0.3	+ 0.3

* weighted by actual pay

The first number in each section, in bold text, shows the value as at 31 March 2020. The second number, in standard text, shows the change from data as at 31 March 2017 to data as at 31 March 2020. Positive changes show increases between 2017 and 2020 and negative changes show decreases. Totals may not sum due to rounding.

Summary statistics – actives

As at 31 March 2020

Total full-time equivalent pay (£m pa)

Section	Males	Females	Total
CRA60	736 - 11.2%	989 - 7.8%	1,725 - 9.3%
CRA between 61 and 64	126 - 11.7%	328 - 13.4%	455 - 13.0%
CRA65 (pre-2015 joiner)	594 - 14.8%	1,201 - 13.4%	1,795 - 13.9%
CRA65 (post-2015 joiner)	729 + 141.2%	1,700 + 159.5%	2,429 + 153.7%
All sections	2,186 + 10.9%	4,218 + 20.7%	6,404 + 17.2%

Total actual pay (£m pa)

Section	Males	Females	Total
CRA60	734 - 10.0%	872 - 6.1%	1,606 - 7.9%
CRA between 61 and 64	125 - 10.2%	267 - 12.3%	392 - 11.7%
CRA65 (pre-2015 joiner)	558 - 12.6%	919 - 10.1%	1,477 - 11.0%
CRA65 (post-2015 joiner)	610 + 138.5%	1,152 + 166.5%	1,763 + 156.1%
All sections	2,027 + 9.7%	3,211 + 19.4%	5,238 + 15.5%

Summary statistics – actives

As at 31 March 2020

Average full-time equivalent pay (£ pa)

Section	Males	Females	Total
CRA60	33,818 + 10.2%	30,383 + 11.5%	31,760 + 10.9%
CRA between 61 and 64	29,696 + 10.3%	24,322 + 11.1%	25,609 + 10.9%
CRA65 (pre-2015 joiner)	28,611 + 13.4%	24,736 + 13.8%	25,897 + 13.6%
CRA65 (post-2015 joiner)	24,753 + 14.2%	22,223 + 14.8%	22,926 + 14.4%
All sections	28,668 + 7.5%	24,653 + 8.9%	25,891 + 8.1%

Average actual pay (£ pa)

Section	Males	Females	Total
CRA60	33,707 + 11.7%	26,813 + 13.6%	29,577 + 12.5%
CRA between 61 and 64	29,313 + 12.2%	19,802 + 12.5%	22,080 + 12.6%
CRA65 (pre-2015 joiner)	26,888 + 16.4%	18,916 + 18.2%	21,303 + 17.4%
CRA65 (post-2015 joiner)	20,721 + 12.9%	15,061 + 17.9%	16,634 + 15.5%
All sections	26,588 + 6.3%	18,764 + 7.7%	21,176 + 6.6%

Summary statistics – actives

As at 31 March 2020

Average reckonable service (years)*

Section	Males	Females	Total
CRA60	20.5 - 1.1	15.9 - 0.6	17.7 - 0.9
CRA between 61 and 64	13.2 - 1.0	9.9 - 0.5	10.7 - 0.6
CRA65 (pre-2015 joiner)	4.3 - 0.2	3.3 - 0.0	3.6 - 0.1
CRA65 (post-2015 joiner)	- -	- -	- -
All sections	12.7 - 0.4	8.6 - 0.1	9.9 - 0.2

*Unweighted (shown for final salary sections only)

Total post-reform CARE pension (£ m)

Section	Males	Females	Total
CRA60	74 + 119.7%	87 + 128.0%	161 + 124.1%
CRA between 61 and 64	13 + 118.5%	27 + 114.6%	40 + 115.9%
CRA65 (pre-2015 joiner)	55 + 112.8%	90 + 118.5%	146 + 116.3%
CRA65 (post-2015 joiner)	28 + 445.0%	50 + 486.9%	78 + 471.2%
All sections	170 + 140.5%	254 + 152.7%	424 + 147.7%

Pension amount includes the April 2020 pension increase

Summary statistics – deferreds

As at 31 March 2020

Number of members (000's)

Section	Males	Females	Total
CRA60	25 - 5	39 - 7	64 - 12
CRA between 61 and 64	3 - 1	12 - 3	15 - 4
CRA65 (pre 2015 and post 2015 joiners)	18 + 2	46 + 8	64 + 11
All sections	46 - 4	97 - 2	143 - 5

Average age* (years)

Section	Males	Females	Total
CRA60	51.0 + 0.8	50.4 + 1.2	50.7 + 1.0
CRA between 61 and 64	56.8 + 1.4	56.8 + 1.7	56.8 + 1.6
CRA65 (pre 2015 and post 2015 joiners)	44.1 - 0.3	45.3 - 0.1	44.8 - 0.2
All sections	49.8 + 0.1	49.7 + 0.5	49.7 + 0.3

* weighted by pension

Summary statistics – deferreds

As at 31 March 2020

Total deferred pension (£m pa)

Section	Males	Females	Total
CRA60	87 - 1.5%	110 + 7.6%	197 + 3.4%
CRA between 61 and 64	9 + 15.7%	20 + 18.3%	30 + 17.5%
CRA65 (pre 2015 and post 2015 joiners)	30 + 79.4%	50 + 87.0%	80 + 84.1%
All sections	126 + 11.7%	181 + 23.4%	307 + 18.3%

Average deferred pension (£ pa)

Section	Males	Females	Total
CRA60	3,481 + 18.4%	2,831 + 26.7%	3,085 + 22.7%
CRA between 61 and 64	3,135 + 50.2%	1,770 + 49.7%	2,051 + 49.4%
CRA65 (pre 2015 and post 2015 joiners)	1,673 + 55.5%	1,088 + 53.3%	1,251 + 53.3%
All sections	2,753 + 20.3%	1,870 + 25.5%	2,154 + 22.6%

Pension amount includes the April 2020 pension increase

Summary statistics – pensioners

As at 31 March 2020

Number of members (000's)

Type	Males	Females	Total
Normal Health	59 + 6	82 + 14	142 + 21
Ill Health	13 - 1	16 - 0	29 - 1
Dependant	8 + 1	22 - 0	29 + 1
All sections	80 + 6	120 + 14	200 + 20

Average age* (years)

Type	Males	Females	Total
Normal Health	70.6 + 0.8	69.0 + 0.5	70.0 + 0.6
Ill Health	69.3 + 0.8	69.1 + 0.6	69.2 + 0.7
Dependant	63.6 + 1.8	75.3 + 0.4	73.4 + 0.3
All sections	70.2 + 0.8	70.0 + 0.4	70.1 + 0.6

* weighted by pension

Summary statistics – pensioners

As at 31 March 2020

Total pension (£m pa)

Type	Males	Females	Total
Normal Health	517 + 16.6%	355 + 30.3%	872 + 21.8%
Ill Health	91 + 1.0%	77 + 8.6%	169 + 4.3%
Dependant	15 + 33.0%	79 + 11.1%	94 + 14.1%
All sections	623 + 14.3%	512 + 23.3%	1,135 + 18.2%

Average pension (£ pa)

Type	Males	Females	Total
Normal Health	8,722 + 3.9%	4,310 + 7.9%	6,155 + 4.0%
Ill Health	6,963 + 9.9%	4,816 + 10.0%	5,782 + 9.2%
Dependant	1,972 + 12.2%	3,615 + 11.8%	3,191 + 10.1%
All sections	7,793 + 5.1%	4,251 + 9.1%	5,666 + 6.2%

Pension amount includes the April 2020 pension increase

Appendix E

Glossary



Glossary 1

Actuarial liability	The monetary amount assessed, in today's terms, as being required to meet all future payments due in respect of current benefit entitlements. It is dependent on assumptions about future financial conditions and membership changes.
CARE	CARE stands for Career Average Revalued Earnings and refers to a methodology whereby earnings over a member's working lifetime in the scheme are used in the calculation of their benefits in the <u>reformed scheme</u> (referred to as the post 2015 section in this report).
Cost cap cost	<p>A way of measuring the cost of benefits being provided from the post-2015 section of the scheme, which is then compared to a 'target cost'. The LGPS Scotland target cost is set at 15.2% of pay.</p> <p>If the results of the valuation show that the cost cap cost is more than 3% of pensionable pay away from the target cost, and the cost of the scheme still results in a breach once the impact of the economic check is taken into account, changes must be made to the post-2015 section (e.g., to the benefits provided) to bring the cost cap cost back to the target cost.</p>
CRA	The Critical Retirement Age (CRA), the age of a member at their Critical Retirement Date.
Critical Retirement Date (CRD)	Under the 85 year rule certain members can retire early without a reduction in their benefits. The Critical Retirement Date is the date at which this age plus service is 85 years, subject to a minimum of 60 and maximum of 65.
Directions	<p>The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023.</p> <p>A document published by HM Treasury and made under the powers conferred in the Public Service Pensions Act 2013, which sets out the process and requirements for carrying out valuations, including the results which need to be disclosed . Directions were first published in 2014 and have been updated several times since then.</p>
Employer contribution rates	<p>The percentage of scheme members' salaries which employers are required to pay to:</p> <ul style="list-style-type: none"> • meet the costs of benefits currently being built up by active members • make good any shortfall in the notional amounts set aside to cover benefits already built up. <p>The result is heavily dependent on assumptions about future financial conditions and membership changes.</p>

Glossary 2

McCloud	McCloud refers to a legal judgment made in December 2018. The England and Wales Court of Appeal judgment upheld claims of age discrimination brought by some firefighters and members of the judiciary against 'transitional protection' rules. These rules determined the date on which some members would move between <u>reformed and legacy sections</u> of the scheme.
Normal pension/retirement age (NPA/NRA)	The age at which a member in normal health is entitled to unreduced benefits. For benefits built up since April 2015 NPA is equal to the member's State Pension age. Benefits accrued before April 2015 could be taken without reduction at age 65, and some members may be able to retire before age 65 without a reduction in benefits (see Critical Retirement Age).
Normal Retirement Date (NRD)	The date at which a member reaches their Normal Retirement Age.
Pension increase	Public service pensions are increased under the provisions of the Pensions (Increase) Act 1971 and Section 59 of the Social Security Pensions Act 1975.
Pension revaluation	The rate at which the <u>CARE</u> pension is revalued each year a member is an active member.
Professional actuarial requirements	<p>The professional requirements that we have complied with when completing this actuarial valuation include:</p> <ol style="list-style-type: none"> 1. Technical Actuarial Standards: TAS 100 and TAS 300, issued by the Financial Reporting Council (FRC) 2. The Actuaries' Code, issued by the Institute and Faculty of Actuaries (IFoA) 3. The Civil Service Code. <p>GAD is also accredited under the IFoA's Quality Assurance Scheme. More details can be found in our terms of reference.</p>

Glossary 3

Rate up	<p>A term used to refer to any multiplicative adjustments made to data to correct for known issues. For example, if it appears that a group of members have been omitted from the data we've received and salaries are understated by 2% as a result, we might apply a 'rate up' of 2% to the salary data we actually hold as a correction. Although the term 'rate up' implies an increase, we might also 'rate down' if appropriate to do so.</p>
Reformed and legacy sections	<p>As per the Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022), the local government new scheme means a scheme under section 1 of the Public Service Pensions Act 2013 (PSPA 2013) which came into force on 1 April 2014 (referred to as the reformed/post 2015 section in this report). As per the PSPJOA 2022, the local government legacy scheme means an existing scheme mentioned in paragraphs 16 or 17 of Schedule 5 of PSPA 2013 (referred to as the legacy/pre 2015 section in this report).</p>
Section	<p>The membership data in Appendix D is categorised by Critical Retirement Age (CRA):</p> <ul style="list-style-type: none">• CRA60 – CRA of 60 or less• CRA62 – CRA between 61 and 64• CRA65 – CRA of 65 or more, or where the member does not have a CRA <p>Additionally, active CRA65 members are split between those with pre-2015 and new joiners who only have post-2015 benefits.</p>