

SCHEDULE 16

Regulations F6(6), J2 to J4, J8, J14 and Q2

CALCULATION OF TRANSFER VALUES

PART I

1. The transfer value payable under regulation J2, J3(1), J14 or Q2(2) in respect of any person is an amount equal to—

(1) the aggregate of the sums calculated in accordance with paragraph 2 below in respect of his accrued pension, accrued retiring allowance and, if the person is a man, his accrued widow's pension, less—

- (a) a sum (calculated in accordance with paragraph 2 below) in respect of accrued modification, and where a request has been received under regulation J2(3) his guaranteed minimum pension;
- (b) any additional contributory payments remaining unpaid when he ceased to be employed in his local government employment, and
- (c) in the case of a person in relation to whom when he ceases to be employed in local government employment and
 - (i) a contributions equivalent premium is paid under section 42 of the Pensions Act, or
 - (ii) a limited revaluation premium is paid under section 45 of that Act otherwise than by the scheme managers of his approved non-local government scheme,a sum equal to the amount of that premium,

together with—

(2) compound interest calculated in accordance with regulation J7 in respect of the period beginning immediately after the date on which the person ceased to be employed in his local government employment and ending with the date on which the transfer value is paid (but no interest is to be included in the transfer value if that period is less than 6 months).

2.—(1) The sums mentioned in paragraph 1 shall be calculated as follows—

- (a) the accrued pension shall be multiplied by the pension factor,
- (b) the accrued retiring allowance shall be multiplied by the retiring allowance factor,
- (c) the accrued modification shall be multiplied by the modification factor, and
- (d) the guaranteed minimum pension shall be multiplied by the guaranteed minimum pension factor,

such factors being the factors in the appropriate Table specified in sub-paragraph (3) in relation to the person's age at the date when he ceased to be employed in local government employment.

(2) The sum in respect of accrued widow's pension shall be calculated by multiplying the accrued widow's pension by 4 in the case of a transfer value payable under regulation J2 or J3(1), and by 2.4 in the case of a transfer value payable under regulation J14 or Q2(2).

(3) For the purposes of sub-paragraph (1) the appropriate Table shall be—

- (a) in the case of a transfer value payable under regulation J2 or J3(1) the relevant Table in Part II, and
- (b) in the case of a transfer value payable under regulation J14 or Q2(2) the relevant Table in Part III.

(4) The guaranteed minimum pension shall be the guaranteed minimum calculated in accordance with section 35 of the Pensions Act.

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3. In this Schedule—

“accrued pension” means the annual retirement pension (however named) to which, having regard to regulations E1(3) and E32(2) and apart from any reduction falling to be made in that pension in connection with a retirement pension under section 30 of the Insurance Act or section 28 of the Social Security Act 1975 or graduated retirement benefit under section 36 of the Insurance Act, the person would have become entitled if, on the date when he ceased to be employed in his local government employment—

- (a) he had attained the age of 65 years; and
- (b) (i) where the person ceased to be employed in that employment before 31st March 1972, he had complied with any requirement as to a minimum period of qualifying service and, notwithstanding anything in any enactment—
 - (A) if in that employment he was a contributory employee within the meaning of the Act of 1937, for the purpose of calculating the amount of that pension his service had been calculated in accordance with regulation 4(1) to (1B) of the Benefits Regulations; and
 - (B) his entitlement to that pension had been calculated by reference to completed years and completed days;
- (ii) where the person ceased to be employed in that employment on or after 31st March 1972, he had been entitled to reckon an aggregate of not less than 5 years' reckonable service and qualifying service; and
- (c) he had completed any additional contributory payments;

“accrued retiring allowance” means the lump sum retiring allowance (however named) to which the person would have become entitled if, on the date when he ceased to be employed in his local government employment—

- (a) he had attained the age of 65 years, and
- (b) (i) where the person ceased to be employed in that employment before 31st March 1972, he had complied with any requirement as to a minimum period of qualifying service and, notwithstanding anything in any enactment—
 - (A) if in that employment he was a contributory employee within the meaning of the Act of 1937, for the purpose of calculating the amount of that allowance his service had been calculated in accordance with regulation 4(1) to (1B) of the Benefits Regulations; and
 - (B) his entitlement to that allowance had been calculated by reference to completed years and completed days;
- (ii) where the person ceased to be employed in that employment on or after 31st March 1972, he had been entitled to reckon an aggregate of not less than 5 years' reckonable service and qualifying service; and
- (c) he had completed any additional contributory payments; and
- (d) if the person is a man, he had been married and he and his wife had not been judicially separated;

“accrued widow’s pension” means the annual widow’s pension (however named) which, after any initial period during which it might not have been payable, would have been payable in respect of the person if, on the date when he ceased to be employed in his local government employment—

- (a) he had been married and he and his wife had not been judicially separated; and
- (b) by virtue of his having attained the age of 65 years, he had been in receipt of a pension equivalent to his accrued pension; and

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(c) he had died;

“accrued modification” means the amount by which the accrued pension would be reduced in connection with retirement pension under section 30 of the Insurance Act or section 28 of the Social Security Act 1975 or graduated retirement benefit under section 36 of the Insurance Act.

PART II

TABLE 1—MEN

<i>Age</i>	<i>Pension factor</i>	<i>Retiring allowance factor</i>	<i>Modification factor</i>	<i>Guaranteed minimum pension factor</i>
Under 20	5.00	.60	.25	1.47
20	5.05	.60	.25	1.50
21	5.10	.61	.25	1.53
22	5.13	.61	.30	1.56
23	5.20	.61	.30	1.59
24	5.25	.62	.30	1.62
25	5.30	.62	.35	1.65
26	5.35	.63	.40	1.68
27	5.40	.63	.40	1.71
28	5.45	.63	.45	1.74
29	5.50	.64	.50	1.78
30	5.55	.64	.50	1.81
31	5.60	.65	.55	1.85
32	5.65	.66	.60	1.88
33	5.70	.66	.65	1.92
34	5.75	.67	.70	1.95
35	5.80	.67	.80	1.99
36	5.85	.68	.90	2.02
37	5.90	.68	1.00	2.06
38	5.95	.68	1.10	2.10
39	6.00	.69	1.20	2.14
40	6.05	.69	1.30	2.18
41	6.10	.70	1.40	2.22
42	6.15	.70	1.50	2.26
43	6.20	.71	1.60	2.30
44	6.25	.72	1.70	2.34

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<i>Age</i>	<i>Pension factor</i>	<i>Retiring allowance factor</i>	<i>Modification factor</i>	<i>Guaranteed minimum pension factor</i>
45	6.30	.72	1.80	2.39
46	6.40	.73	1.90	2.44
47	6.50	.74	2.00	2.48
48	6.60	.74	2.20	2.53
49	6.70	.75	2.40	2.58
50	6.80	.75	2.60	2.62
51	6.90	.76	2.90	2.67
52	7.10	.76	3.20	2.72
53	7.30	.77	3.50	2.78
54	7.50	.78	3.80	2.84
55	7.70	.79	4.20	2.90
56	8.00	.80	4.60	2.97
57	8.30	.81	5.00	3.04
58	8.60	.82	5.40	3.12
59	9.00	.84	5.80	3.20
60	9.50	.86	6.30	3.28
61	9.50	.88	6.80	3.36
62	9.50	.91	7.40	3.44
63	9.50	.94	8.10	3.53
64	9.50	.98	9.00	3.64
65	9.50	1.00	9.50	—

TABLE 2—WOMEN

<i>Age</i>	<i>Pension factor</i>	<i>Retiring allowance factor</i>	<i>Modification factor</i>	<i>Guaranteed minimum pension factor</i>
Under 20	7.00	.60	.50	2.20
20	7.05	.60	.50	2.24
21	7.10	.61	.55	2.28
22	7.15	.61	.60	2.32
23	7.20	.61	.65	2.36
24	7.25	.62	.70	2.40
25	7.35	.62	.75	2.45
26	7.40	.63	.80	2.50

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<i>Age</i>	<i>Pension factor</i>	<i>Retiring allowance factor</i>	<i>Modification factor</i>	<i>Guaranteed minimum pension factor</i>
27	7.45	.63	.85	2.55
28	7.50	.63	.90	2.60
29	7.55	.64	.95	2.66
30	7.65	.64	1.05	2.71
31	7.70	.65	1.15	2.77
32	7.80	.66	1.25	2.82
33	7.90	.66	1.35	2.88
34	7.95	.67	1.45	2.93
35	8.05	.67	1.55	2.99
36	8.15	.68	1.65	3.05
37	8.25	.68	1.75	3.11
38	8.35	.68	1.85	3.17
39	8.45	.69	1.95	3.24
40	8.55	.69	2.10	3.31
41	8.65	.70	2.25	3.38
42	8.75	.70	2.45	3.45
43	8.85	.71	2.65	3.52
44	8.95	.72	2.90	3.59
45	9.05	.73	3.15	3.66
46	9.15	.74	3.40	3.74
47	9.25	.75	3.70	3.82
48	9.35	.76	4.00	3.90
49	9.45	.77	4.35	3.98
50	9.55	.78	4.75	4.06
51	9.65	.79	5.15	4.15
52	9.80	.80	5.60	4.25
53	9.95	.81	6.10	4.33
54	10.10	.82	6.65	4.43
55	10.30	.83	7.25	4.53
56	10.50	.84	7.95	4.63
57	10.75	.85	8.75	4.74
58	11.05	.87	9.65	4.85
59	11.40	.89	10.64	4.97

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<i>Age</i>	<i>Pension factor</i>	<i>Retiring allowance factor</i>	<i>Modification factor</i>	<i>Guaranteed minimum pension factor</i>
60	11.75	.91	11.75	—
61	11.75	.93	11.75	—
62	11.75	.95	11.75	—
63	11.75	.97	11.75	—
64	11.75	.99	11.75	—
65	11.75	1.00	11.75	—

PART III

TABLE 1—MEN

<i>Age</i>	<i>Pension factor</i>	<i>Retiring allowance factor</i>	<i>Modification factor</i>	<i>Guaranteed minimum pension factor</i>
Under 20	3.90	.60	.20	1.47
20	3.95	.60	.20	1.50
21	4.00	.61	.20	1.53
22	4.05	.61	.25	1.56
23	4.10	.61	.25	1.59
24	4.10	.62	.25	1.62
25	4.15	.62	.30	1.65
26	4.20	.63	.30	1.68
27	4.25	.63	.35	1.71
28	4.30	.63	.35	1.74
29	4.30	.64	.40	1.78
30	4.35	.64	.40	1.81
31	4.40	.65	.45	1.85
32	4.45	.66	.50	1.88
33	4.45	.66	.50	1.92
34	4.50	.67	.55	1.95
35	4.55	.67	.65	1.99
36	4.60	.68	.70	2.02
37	4.65	.68	.80	2.06
38	4.65	.68	.90	2.10
39	4.70	.69	.95	2.14

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<i>Age</i>	<i>Pension factor</i>	<i>Retiring allowance factor</i>	<i>Modification factor</i>	<i>Guaranteed minimum pension factor</i>
40	4.75	.69	1.05	2.18
41	4.80	.70	1.10	2.22
42	4.85	.70	1.20	2.26
43	4.85	.71	1.30	2.30
44	4.90	.72	1.35	2.34
45	4.95	.72	1.45	2.39
46	5.00	.73	1.50	2.44
47	5.10	.74	1.60	2.48
48	5.20	.74	1.75	2.53
49	5.25	.75	1.90	2.58
50	5.35	.75	2.10	2.62
51	5.45	.76	2.30	2.67
52	5.60	.76	2.55	2.72
53	5.75	.77	2.80	2.78
54	5.90	.78	3.05	2.84
55	6.05	.79	3.35	2.90
56	6.25	.80	3.65	2.97
57	6.50	.81	4.00	3.04
58	6.75	.82	4.30	3.12
59	7.05	.84	4.65	3.20
60	7.45	.86	5.05	3.28
61	7.45	.88	5.45	3.36
62	7.45	.91	5.85	3.44
63	7.45	.94	6.35	3.53
64	7.45	.98	7.05	3.64
65	7.45	1.00	7.45	—

TABLE 2—WOMEN

<i>Age</i>	<i>Pension factor</i>	<i>Retiring allowance factor</i>	<i>Modification factor</i>	<i>Guaranteed minimum pension factor</i>
Under 20	5.20	.60	.40	2.20
20	5.20	.60	.40	2.20
21	5.25	.61	.40	2.24

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<i>Age</i>	<i>Pension factor</i>	<i>Retiring allowance factor</i>	<i>Modification factor</i>	<i>Guaranteed minimum pension factor</i>
22	5.30	.61	.45	2.28
23	5.35	.61	.50	2.32
24	5.30	.62	.50	2.40
25	5.45	.55	.50	2.45
26	5.50	.63	.60	2.50
27	5.55	.63	.65	2.55
28	5.60	.63	.65	2.60
29	5.65	.64	.70	2.66
30	5.70	.64	.80	2.71
31	5.75	.65	.85	2.77
32	5.80	.66	.95	2.82
33	5.85	.66	1.00	2.88
34	5.90	.67	1.10	2.93
35	6.00	.67	1.15	2.99
36	6.10	.68	1.25	3.05
37	6.15	.68	1.30	3.11
38	6.25	.68	1.35	3.17
39	6.30	.69	1.45	3.24
40	6.40	.69	1.55	3.31
41	6.45	.70	1.65	3.38
42	6.55	.70	1.80	3.45
43	6.60	.71	1.95	3/52
44	6.70	.72	2.15	3.59
45	6.80	.73	2.35	3.66
46	6.85	.74	2.55	3.74
47	6.95	.75	2.75	3.82
48	7.00	.76	3.00	3.90
49	7.10	.77	3.25	3.98
50	7.15	.78	3.55	4.06
51	7.25	.79	3.85	4.15
52	7.35	.80	4.15	4.24
53	7.45	.81	4.55	4.33
54	7.60	.82	4.95	4.43

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<i>Age</i>	<i>Pension factor</i>	<i>Retiring allowance factor</i>	<i>Modification factor</i>	<i>Guaranteed minimum pension factor</i>
55	7.75	.83	5.40	4.53
56	7.90	.84	5.90	4.63
57	8.10	.85	6.50	4.74
58	8.30	.87	7.20	4.85
59	8.60	.89	8.00	4.97
60	8.85	.91	8.85	—
61	8.85	.93	8.85	—
62	8.85	.95	8.85	—
63	8.85	.97	8.85	—
64	8.85	.99	8.85	—
65	8.85	1.00	8.85	—

PART IV

1. The transfer value payable under regulation Q2(1) in respect of a person is to be calculated in accordance with the following formula if the service he is entitled to reckon in his new local government employment which he was also entitled to reckon in his previous local government employment exceeds 182 days—

$$T = \frac{(F \times S \times R)}{100} - A,$$

where—

T is the amount of the transfer value;

F is the amount shown in column (2) of the following Table applicable to his age as set out in column (1) when he ceased to be employed in his previous local government employment,

TABLE

<i>(1)</i> <i>(Age on ceasing to be employed in previous local government employment)</i>	<i>(2)</i> <i>(Amount)</i>
	<i>£</i>
Under 30	11
30 to 39 (inclusive)	12
40 to 49 (inclusive)	13
50 and over	14;

S is the length of the reckonable service in complete years ignoring any residual period of 182 days or less and taking any residual period which exceeds 182 days as a complete year;

R is the annual rate of his remuneration of his previous local government employment at the date on which he ceased to be employed in that employment; and

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A is the amount of any additional contributory payments remaining outstanding when he ceased to be employed in his previous local government employment.

2. In any case not falling within paragraph 1 the transfer value payable under regulation Q2(1) in respect of a person is to be calculated in accordance with the following formula—

$T = 2 \times C$, where—

T is the amount of the transfer value; and

C is the amount of the employer's contributions in relation to the reckonable service,

but the amount of the transfer value shall be zero if the person becomes employed in his new local government employment on or after 1st October 1981.

3. In ascertaining for the purposes of this Part the length of reckonable service which a person is or was entitled to reckon, the reckonable service is to count at the length at which it would reckon in calculating the amount of a retirement pension under regulation E2(1)(b)(ii), except that—

- (a) any period of reckonable service which was reckonable under section 15 of the Act of 1937 (which related to teachers) is to be ignored;
- (b) it is to be assumed that he had completed the payment of any additional contributory payments; and
- (c) if additional contributions under regulation D10 of the 1974 Regulations (or any corresponding provision of an earlier enactment) or regulation C6 have been paid but not all those for which he was originally liable, the apportionment formula in paragraph 3 of Schedule 9 is to be applied.

4. Subject to paragraph 5, in ascertaining for the purposes of this Part the annual rate of a persons remuneration at the date on which he ceased to be employed in his previous local government employment—

- (a) the annual rate of any fluctuating element of his remuneration is to be estimated by reference to an average taken over a representative period;
- (b) the annual rate of any benefit in kind included in his remuneration is to be the estimated annual value of the benefit in kind at the date on which he ceased to be employed;
- (c) if at that date he had no remuneration or his remuneration was reduced because of absence from duty, the annual rate is to be taken to be the annual rate which would have applied if he had not been absent;
- (d) if the annual rate of his remuneration is retrospectively altered as a result of a pay award promulgated by a national joint council or other negotiating body on or before the date on which he ceased to be employed, the annual rate of his remuneration is to be based on the retrospective pay award;
- (e) if his remuneration is not calculated by reference to an annual rate but by reference to some other rate, the annual rate is to be derived from the applicable rate at the date on which he ceased to be employed;
- (f) if his previous local government employment was part-time, the annual rate of remuneration of a single comparable whole-time employment is to be used; and
- (g) if the annual rate of his remuneration exceeds £100 it is to be rounded down to the nearest £100.

5. If—

- (a) during the 13 years ending on the cessation of the person's previous local government employment his remuneration was reduced; and

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- (b) his employing authority certified under regulation E24 that the reduction was in consequence of a material change in circumstances; and
- (c) his annual rate of remuneration immediately before the reduction, ascertained on similar principles to those in paragraph 4, was greater than the annual rate of remuneration on the date on which he ceased to be employed in his previous local government employment,

it is to be assumed for the purposes of this Part that he was earning at the higher rate at the date on which he ceased to be employed in his previous local government employment.

6. Where the person has made a payment to his new fund authority under regulation D1(2) or J9(3) of the 1974 Regulations or H8(3) of these Regulations, the transfer value payable under regulation Q2(1) is to be reduced by an amount equal to that payment.

7. Compound interest calculated in accordance with regulation J7 is to be paid on the transfer value payable under regulation Q2(1) for the period beginning with the date on which the person ceased to be employed in his previous local government employment and ending on the date on which the transfer value is paid (but no interest is to be paid if that period is less than 6 months).

PART V

1. The additional transfer value payable under regulation J3(2) and the transfer value that may be accepted where regulation J8(5) applies is in each case $(A \times B \times C) + D$, where—

A is the period—

- (a) which the person would have been entitled to reckon as reckonable service by virtue of regulation F6(1)(a) or (b), or
- (b) which would have been taken into account in calculating additional benefits in accordance with regulation F6(12), or
- (c) which he would have been entitled to reckon under the war service provisions of the public service scheme,

as the case may be;

B is the figure in column 2 or 3 of the Table below appropriate to the person's age on 1st April 1978 and sex;

C is either—

- (a) the annual rate of the person's pensionable remuneration at 1st April 1978, or
- (b) if on that date he was entitled to a pension, the amount of remuneration taken into account in calculating the pension, increased by the annual amount (if any) by which an annual pension at a rate equal to that amount of remuneration, and beginning on the same date as the person's pension, would by 1st April 1978 have been increased under the Pensions (Increase) Act 1971(1); and

D is compound interest on $(A \times B \times C)$, calculated, in the case of an additional transfer value payable under regulation J4(2), in accordance with regulation J7 in respect of the period beginning on 1st April 1978 and ending with the date on which the transfer or additional transfer value is paid.

2. For the purposes of paragraph 1, the annual rate of a person's pensionable remuneration shall be ascertained in accordance with the provisions of paragraphs 4 and 5 of Part IV of this Schedule.

(1) 1971 c. 56

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TABLE

<i>Age on last birthday before 1st April 1978</i>	<i>Men</i>	<i>Women</i>
40	0.1009	0.1328
41	0.1018	0.1334
42	0.1024	0.1357
43	0.1031	0.1372
44	0.1038	0.1389
45	0.1045	0.1405
46	0.1058	0.1422
47	0.1073	0.1437
48	0.1085	0.1454
49	0.1099	0.1470
50	0.1111	0.1487
51	0.1125	0.1502
52	0.1150	0.1525
53	0.1176	0.1548
54	0.1203	0.1571
55	0.1229	0.1599
56	0.1267	0.1628
57	0.1306	0.1663
58	0.1345	0.1707
59	0.1397	0.1759
60	0.1463	0.1810
61	0.1465	0.1818
62	0.1469	0.1825
63	0.1473	0.1833
64	0.1478	0.1840
65	0.1480	0.1844
66	0.1436	0.1800
67	0.1392	0.1756
68	0.1355	0.1713
69	0.1311	0.1669
70	0.1267	0.1625
71	0.1230	0.1575

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<i>Age on last birthday before 1st April 1978</i>	<i>Men</i>	<i>Women</i>
72	0.1190	0.1519
73	0.1144	0.1463
74	0.1106	0.1406
75	0.1063	0.1350
76	0.1019	0.1294
77	0.0981	0.1238
78	0.0938	0.1181
79	0.0900	0.1131
80	0.0854	0.1088
81	0.0815	0.1044
82	0.0775	0.1006
83	0.0735	0.0969
84	0.0698	0.0931
85	0.0661	0.0894
86	0.0623	0.0856
87	0.0585	0.0825
88	0.0554	0.0794
89	0.0525	0.0769
90	0.0496	0.0744
91	0.0467	0.0719
92	0.0440	0.0694
93	0.0419	0.0669
94	0.0398	0.0644
95	0.0377	0.0625
96	0.0356	0.0600
97	0.0342	0.0581
98	0.0321	0.0556
99	0.0306	0.0531