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13 March 2015

Dear Lynda

**Local Government Pension Scheme (England and Wales) - Secretary of State's actuarial guidance on Interfund Transfers**

Following recent email correspondence GAD has had with Terry Edwards of LGA, I write to confirm the conclusions we reached regarding the aggregation of a member's membership, and the associated transfer payment between funds, in the light of the possibility that the member might elect for non-aggregation. These conclusions are set out below:

**Relevant date**

Where the benefits for a member with a deferred refund are automatically aggregated, the relevant date for the Interfund transfer is the date the member re-joined the Scheme (or the day following the cessation of the concurrent employment that resulted in the deferred refund).

The relevant date for the Interfund transfer for a member with deferred benefits to whom regulation 10(6) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 does not apply is the day after the last date on which the member could elect for benefits not to be aggregated (i.e. the end of the 12 month period), or, if sooner, the earlier of:

- a) the date of cessation of active membership with the employer with whom the deferred membership is to be aggregated; and
- b) the date on which the member confirms in writing that he/she does not wish to retain separate benefits/elects for the aggregation to proceed.

The relevant date for a member with deferred benefits to whom regulation 10(6) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 does apply is the date of the election that triggers the transfer.

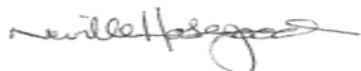
**Late payment adjustment**

If the Interfund transfer is not paid within 3 months of the relevant date, it should be recalculated as at the date of payment (which would take account of any change in age and pension increases or revaluation that had occurred between the relevant date and the date of payment).

I suggest that it will make sense for the guidance document "Interfund Transfers" to be updated to reflect the above practical arrangements at the next convenient opportunity, perhaps when changes are next needed to other guidance documents.

If you are happy to do so, please pass a copy of this letter to the LGA for them to advise administering authorities as to the above arrangements.

Yours sincerely

A handwritten signature in black ink, appearing to read "Neville Hosegood". The signature is written in a cursive style with a long, sweeping tail.

**Neville Hosegood**