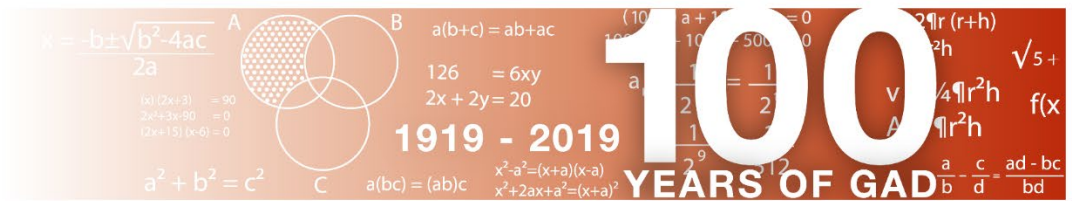# Local Government Pension Scheme (Scotland)

Annual allowance charges: Calculation of scheme pays offset

Date: 19 September 2019

To be implemented with effect from 6 April 2020

Contents

1   Introduction

1.1   Scottish Ministers are required to issue actuarial guidance in respect of the Local Government Pension Scheme (Scotland) ('the Scheme', or 'LGPS S') on the reduction of a member's pension rights following an election for an annual allowance charge to be met by the Scheme.

1.2   This document sets out the general method for assessing a pension offset, for the Scheme to meet part, or all, of this charge through the 'scheme pays' mechanism.

1.3   Separate guidance covers the calculation of a reduction to benefits following an election to utilise the Lifetime Allowance Scheme Pays mechanism.

1.4   The remainder of this introduction contains:

- details of the implementation and future review of this guidance,

- the relevant legislative references, and

- statements about third party reliance and liability.

1.5   In the remainder of this note:

- the second section describes the scheme pays mechanism and sets out the calculation of the offset

- the third section contains examples relating to the calculation of the offset

- Appendix A summarises the assumptions underlying the factors

- Appendix B sets out the factors

- Appendix C sets out some important limitations.

Implementation and Review

1.6   Scottish Ministers are required to consult the Scheme Actuary before issuing actuarial guidance under the Local Government Pension Scheme (Scotland) Regulations 2018 ('the 2018 Regulations') (SSI 2018/141) [Regulation 2(3) of the 2018 Regulations].

1.7   As part of this consultation, the Scottish Public Pensions Agency (SPPA) has asked GAD, as Scheme Actuary, to recommend actuarial guidance in respect of the regulations detailed above. This document forms GAD's recommendation for the actuarial guidance required by these regulations.

1.8   This note has effect only when this guidance is issued by Scottish Ministers in accordance with Regulation 2(3) of the 2018 Regulations. It is subject to the implementation instructions provided at that time.

1.9   SPPA has decided to implement this guidance and the associated factors with effect from 6 April 2020.

1.10   This guidance will supersede both previous guidance notes on calculating scheme pays offsets "Local Government Pension Scheme (Scotland) - Annual Allowance Charges: Calculation of Scheme Pays Offset – Elections on and After 1 April 2015" dated 26 February 2015 and "Local Government Pension Scheme (Scotland) - Annual Allowance Charges: Calculation of Scheme Pays Offset (Elections Prior to 1 April 2015" dated 25 February 2015.

1.11   Administrators should satisfy themselves that the pension offset resulting from a scheme pays election complies with all legislative requirements including, but not limited to, tax requirements. Any legal advice in this area should be sought from an appropriately qualified person or source.

1.12   This guidance note does not cover the method for determining the amount of any Annual Allowance charge, Cash Equivalent Transfer Values (CETV), Club transfers involving the Local Government Pension Scheme (Scotland) or the service credits on transfers-in (Club or CETV).

1.13   This guidance has been written for pension administrators and assumes some knowledge of general pension terminology, and some familiarity with retirement calculations for the Local Government Pension Scheme (Scotland). Any questions concerning the application of the guidance should, in the first instance, be referred to SPPA.

1.14   In line with best practice and in order to make sure that factors are being used as intended and the instructions are fit for purpose, we suggest that some example calculations are sent to GAD for review.

1.15   The factors contained in this guidance will be subject to review periodically. This will depend on external circumstances, for example whenever there is a change in the SCAPE basis; when changes in the actuarial assumptions adopted for other scheme factors take place; or following each future actuarial valuation where mortality and other relevant experience is reviewed or if other credible and material information comes to light.

Relevant legislative references

1.16   This document sets out the general method for assessing a pension offset, under Regulation 81(2) of the Local Government Pension Scheme (Scotland) Regulations 2018 ('the 2018 Regulations') (SI 2018/141).

1.17   This document applies to a LGPS S member who incurs an Annual Allowance charge (as defined in Section 227 of the Finance Act 2004) and subsequently elects, under Regulation 81(1) of the 2018 Regulations, for the Scheme to meet part, or all, of this charge through the 'scheme pays' mechanism.

1.18   In accordance with Regulation 16 of the Local Government Pension Scheme
        (Transitional Provisions and Savings) (Scotland) Regulations 2014 (SSI 2014/233), a
        pension offset determined on or after 1 April 2015 can apply to benefits earned prior
        to 1 April 2015.

Use of this note

1.19   This note has been prepared for SPPA and can be relied upon by them. We are
        content for this note to be released to third parties, provided that:

        • it is released in full

        • the advice is not quoted selectively or partially, and

        • GAD is identified as the source of the note.

1.20   Third parties may wish to seek their own actuarial advice where appropriate. GAD
        has no liability to any person or third party for any act or omission taken, either in
        whole or in part, on the basis of this note.

Third party reliance

1.21   This guidance has been prepared for the use of SPPA and the scheme
        administrators for the purposes of demonstrating the application of the factors
        covered by this guidance only. This guidance may be published on SPPA and the
        scheme administrators' websites but must not otherwise be reproduced, distributed
        or communicated in whole or in part to any other person without GAD's prior written
        permission.

1.22   Other than SPPA and the scheme administrators, no person or third party is entitled
        to place any reliance on the contents of this guidance, 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 guidance, whether
        or not GAD has agreed to the disclosure of its advice to the third party.

1.23   When issued by Scottish Ministers in accordance with paragraph 1.8? above, this
        note should be used as the actuarial guidance required under the regulations
        cited. Other than for this purpose, no person or third party is entitled to place any
        reliance on the contents of this note, except to any extent explicitly stated herein.

2   Annual allowance - Scheme pays mechanism

Introduction

2.1   This section sets out the method and instructions for calculating the pension offset applied to a member who incurs an Annual Allowance charge and elects to utilise the scheme pays mechanism to meet this charge. The scheme pays mechanism will not be available to all members incurring Annual Allowance charges. Administering authorities will need to ensure a member's eligibility before applying the approach set out in this guidance document.

2.2   It is our understanding from HM Treasury's initial documentation prepared during the development of the revised Annual Allowance regime, that costs incurred by the authorities in relation to operating the scheme pays mechanism may not be recovered from the member concerned.

2.3   SPPA have confirmed that the Relevant Date (also known as the Implementation Date) will be the day coincident with the end of the pension input period.

Calculation of the initial pension offset

2.4   The factors in this guidance are not appropriate for calculating initial amount of debits for elections before 1 April 2015. It is expected that the initial amount of the debit for these elections will have been calculated using previous versions of the guidance.

2.5   This guidance should be used for adjusting debits on leaving or retirement whether the original election to use the scheme pays mechanism was before, on or after 1 April 2015.

2.6   The calculation of the pension offset for different categories of member is set out in the following sections. We note that:

- Unlike in the calculation of pension debits following a pension sharing order, the pension offset is initially calculated using the member's normal pension age (unless the member has already attained that age). The offset will later be adjusted to reflect the date their pension comes into payment.

- Pension debits resulting from pension sharing orders have a consequential impact on the benefits payable to a surviving spouse or civil partner upon the member's death. This will not be the case for a scheme pays pension offset.

- The scheme pays pension offset will initially be based on the pension relating to post 31 March 2015 service (i.e. on the current tranche of benefits). Where, at retirement, the post-2015 pension is insufficient to cover the pension offset then the balance of the offset should be applied to the pension earned between 1 April 2009 and 31 March 2015, with suitable adjustment for early or late payment by reference to the post-2015 NPA. If the offset cannot be met from post-2009 benefits then the case should be referred to GAD via SPPA.

Pension offset for an active member

2.7   The following paragraphs apply in calculating the pension offset of a member who is not retiring immediately - see paragraph 2.24 onwards if the member's retirement figures are already being processed.

2.8   The pension offset acts like a negative deferred pension. The offset should be expressed as a deduction to the member's pension which is to be recovered from the member's normal pension age. The calculation will be carried out at the Relevant Date for the particular member. The calculation of the pension offset is:

Pension offset = AATAX / AAFAC

Where:

AATAX = the Annual Allowance tax charge that the member has notified the scheme that they wish to meet via the scheme pays mechanism.

(i)   If the member is below normal pension age at the Relevant Date
        AAFAC = the Annual Allowance scheme pays factor from Table A based on the member's age at the Relevant Date.
        (Table 0-605 in the consolidated factor workbook).

(ii)   If the member has already attained normal pension age at the Relevant Date.
        AAFAC = the factor for calculating Lifetime Allowance debits (non-ill-health cases) from the latest Scottish Ministers' guidance, based on the member's age at the Relevant Date.
        (Table 0-613 in the consolidated factor workbook)

2.9   Pension offsets do not affect GMPs.

2.10   Administrators should store the offset calculated above with the Relevant Date on the member's record. Where a member has multiple pension offsets, they should be recorded separately.

2.11   The pension offset should be increased in accordance with the relevant provisions of the 2018 Regulations or other relevant LGPS Regulations during the period between the Relevant Date and the member's eventual retirement.

Contingent survivor benefits

2.12   The benefits payable to a spouse, civil partner or other partner who is eligible to receive a pension on the member's death will not be reduced as a result of the scheme pays mechanism. This will apply regardless of whether the member dies during active service, in deferment or after retirement.

Other benefits

2.13   No offset will be applied to children's pensions.

2.14 No offset will be made to the lump sum death grant payable to an active member who dies in service.

2.15 No offset will be made to the death in deferment lump sum award that is payable to deferred members who incurred an Annual Allowance charge prior to exit and elected for the scheme pays mechanism. However, the lump sum will be based on the pension after any scheme pays offset has been applied.

2.16 No offset is made to any lump sum paid on death after retirement that is payable to pensioner members who incurred an Annual Allowance charge prior to exit and elected for the scheme pays mechanism. However, the lump sum will be based on the pension after any scheme pays offset has been applied.

Adjusting benefit offsets on leaving

2.17 If the member leaves the scheme prior to receipt of their pension, then the pension offset should be treated in the same way as a pension debit following divorce (except that the scheme pays offset applies to member benefits only). In particular, if the member leaves with a Club transfer then the scheme pays offset will be preserved in the receiving scheme as described in the current guidance note on 'Individual Incoming and Outgoing Transfers'.

Adjusting benefit offsets at retirement

2.18 This section sets out the method and instructions for calculating the pension offset to be applied at the point of retirement. In many cases this could be several years after the pension offset was initially calculated.

2.19 When the member retires, the total pension is initially calculated ignoring the pension offset. The pension is then reduced to allow for the pension offset. The offset should be revalued from the Relevant Date up to the April immediately before the date of retirement in accordance with the relevant provisions of the 2018 Regulations or other relevant LGPS Regulations. If the pension is not drawn at normal pension age, then the pension offset will need to be adjusted.

2.20 Administrators should take care to ensure that the most recent Early Retirement Factors and Late Retirement Factors are applied. It is the responsibility of administrators to ensure that they are using the most recent factors.

2.21 The pension offset to be applied at retirement if the member retires at normal pension age is as follows:

Pension offset on retirement at normal pension age

$$= \text{Pension offset} \times \text{REV}$$

Where:

Pension Offset = as calculated in paragraphs 2.7 and 2.8

REV = the revaluation factor between the Relevant Date and the April immediately before the date of retirement.

2.22   The pension offset to be applied at retirement if the member retires before normal pension age is as follows:

Pension offset on retirement before normal pension age

= Pension offset $\times$ REV x (100% – ERF)

Where:
Pension Offset = as calculated in paragraphs 2.7 and 2.8

REV = the revaluation factor between the Relevant Date and the April immediately before the date of retirement.

ERF = early retirement factor from the latest Scottish Ministers' guidance. Where the member retires in ill-health the appropriate table from that guidance should be used. (Tables 0-316 to 0-319 in the consolidated factor workbook)

2.23   The pension offset to be applied at retirement if the member retires after normal pension age depends on whether the member was above or below normal pension age at the Relevant Date, and the two situations are covered separately as follows:

(i)   Where the member was below normal pension age at the Relevant Date the pension offset at retirement is as follows:

Pension offset at retirement after normal pension age

= Pension offset $\times$ REV x (100% + LRF)

Where:
Pension Offset = as calculated in paragraphs 2.7 and 2.8

REV   =   the revaluation factor between the Relevant Date and the date of retirement.

LRF   =   late retirement factor from the latest Scottish Ministers' guidance (Table 1-402 in the consolidated factor workbook)

(ii)   Where the member had already attained normal pension age at the Relevant Date the pension offset at retirement is as follows:

Pension offset at retirement after normal pension age

$$= \text{Pension offset} \times \text{REV x } (100\% + \text{LRF1}) / (100\% + \text{LRF2})$$

Where:

Pension Offset = as calculated in paragraphs 2.7 and 2.8

REV   =   the revaluation factor between the Relevant Date and the date of retirement.

LRF1   =   late retirement factor from the latest Scottish Ministers' guidance applicable to the period between normal pension age and actual retirement, and

LRF2   =   late retirement factor from the latest Scottish Ministers' guidance applicable to the period between the normal pension age and the Relevant Date.
(LRFs are in Table 1-402 in the consolidated factor workbook.)

Pension offset for a member who is retiring

2.24   The pension offset to be applied if the scheme pays election occurs when the member's retirement figures are already being processed is as follows:

Pension offset at retirement = AATAX / AAFAC

Where:

AATAX = the Annual Allowance tax charge that the member has notified the scheme that they wish to meet via the scheme pays mechanism.

AAFAC = the factor from the latest Scottish Ministers' guidance, based on the member's age at the Relevant Date.

If the member is retiring on age grounds then the factor should be taken from the table for calculating Lifetime Allowance debits (non ill-health cases) based on the member's age at the Relevant Date. Table 0-613 in the consolidated factor workbook).

If the member is retiring on ill-health grounds then the factor should be taken from the table for calculating Lifetime Allowance debits (retirement in ill-health) based on the member's age at the Relevant Date. Table 0-614 in the consolidated factor workbook).

2.25   In some circumstances a member retiring on ill-health grounds will be exempt from incurring an Annual Allowance charge in the year preceding retirement. However, this will not apply to all ill-health retirements. Members who are exempt in their final year of service may also have incurred Annual Allowance charges, and opted for the Annual Allowance scheme pays mechanism, earlier in their careers. In these cases benefit offsets will be applied at retirement but adjustment factors for ill health

retirement will be applied as described in 2.24 above. The offset will be applied to members who retire in ill-health only if they have a permanent (ie tier 1 or tier 2) ill-health pension.

Additional guidance for certain specific circumstances

2.26   **Interaction between annual allowance scheme pays and lifetime allowance ('LTA') charges**
We understand, when calculating LTA charges, the pension tested should be that which would come into payment after allowing for the impact of any Annual Allowance scheme pays offsets. The calculations set out in this document should therefore be carried out prior to any LTA test being applied to these members.

2.27   **Multiple annual allowance and scheme pays offsets**
Some members may breach the Annual Allowance on more than one occasion during their careers. Since there is no limit on the number of times a member may opt to utilise scheme pays (subject to usual eligibility), a member may also have multiple Annual Allowance scheme pays offsets. In this circumstance each offset can be considered separately and treated in accordance with the guidance set out above.

2.28   **Interaction between annual allowance scheme pays offsets and pension debits**
It is possible for members to have both AA scheme pays offsets and pension debits resulting from Pension Sharing on Divorce ('PSOD'). In this case each instance of the Annual Allowance scheme pays offset or the PSOD pension debit is treated in accordance with the relevant set of guidance.

2.29   **Members exercising options at the point of retirement**
Some members are able to exercise options at the point of retirement such as commuting pension for lump sum. This guidance note does not attempt to illustrate the interaction between Annual Allowance scheme pays offsets and any of these member options.

2.30   **Interaction between scheme pays offsets and flexible retirement**
Where a member opts to draw-down their membership, the offset relating to that part of the membership which is being drawn-down should be applied at the point of flexible retirement (and having regard to paragraphs 2.18 to 2.24 where relevant). Where the member elects to draw-down only a proportion of the membership, the offset should be pro-rated (in proportion to the membership being drawn-down) and applied to the relevant benefit being drawn-down, with allowance for early / late retirement factors as appropriate. The remaining offset should be applied when the member eventually retires.

State Pension Age

2.31 SPPA has confirmed:

2.31.1 State Pension Age for the purpose of calculating initial scheme pays offsets should be as set out in HM Treasury Directions ('HMT Directions') made in exercise of the powers conferred on them by sections 11(2) and 13(3) of the Public Service Pensions Act 2013[1], and not legislation in force at the relevant date.

2.31.2 State Pension Age for the purpose of calculating the scheme pays offset at retirement should be as set out in legislation in force at the date of retirement. If State Pension Age is different for these two calculations, the initial scheme pays offset should not be recalculated.

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[1] A consolidated version of HM Treasury Directions dated 11 March 2014, including subsequent amendments up to and including 9 March 2015, is found in the following link; SPA assumptions are set out at direction 18.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/411287/HMT_Directions_9_Mar_2015.pdf
(As at the date of this guidance, later amending directions have not amended direction 18)

3   Non-integer Normal Pension Ages

Members with a NPA of years and whole months

3.1   Where a member has a NPA that is a whole number of years and months, the factors should be determined using the appropriate factors in the tables in Appendix B using straight line interpolation based on months. For example, to determine the factors applicable to a member with a normal pension age of 66 years and 2 months, the formula below should be used:

F_P (NPA 66 years, 2 months) = F_P(NPA66) + [2/12 x [F_P(NPA67) – F_P(NPA66)]}

Where:

F_P(NPAxx) = the factor applying for a Normal Pension Age of xx

Members with an NPA of years and days (i.e. part months)

3.2   Some members may have a State Pension Age that falls on a specified date. This may mean that their NPA is based on years and days rather than years and whole months. In this case, the factors should be determined using the appropriate factors in the tables in Appendix B using straight line interpolation based on days. For example, to determine the factors applicable to a member with a normal pension age of 67 years and 249 days, the formula below should be used:

F_P (NPA 67 years, 249 days) = F_P(NPA67) + [249/365 x [F_P(NPA68) – F_P(NPA67)]}

Where:

F_P(NPAxx) = the factor applying for a Normal Pension Age of xx

4 Examples

Example 1: Calculation of the initial pension offset – member with a non-integer NPA

Member data

Member date of birth:	23 May 1977
Tax year in which annual allowance charge is incurred:	2018/19
Relevant date:	5 April 2019
Member's age last birthday:	41
Tax charge:	£6,000
Normal pension age:	67 years, 1 month and 13 days
Normal pension date:	6 July 2044

The factor for the member above will need to be interpolated to account for the non-integer NPA (see section 3). The factor for this member would be calculated as follows:

F_P (NPA 67 years, 44 days) = F_P(NPA67) + [44/365 x [F_P(NPA68) – F_P(NPA67)]}

NPA 67 factor at age 41: 9.02   (Taken from Table A)
NPA 68 factor at age 41: 8.53   (Taken from Table A)

NPA 67 years 44 days factor: 9.02 + (44/365 x [8.53 – 9.02]) = **8.96**

From 2.8, the formula for calculating the pension offset is:

Pension offset = AATAX / AAFAC

where:

AATAX = £6,000
AAFAC = 8.96

Using the values above, the pension offset is calculated as follows:

Pension offset = £6,000 / 8.96 = £669.64

The offset is recorded on the member's record with a relevant date of 5 April 2019.

The offset will increase in line with the relevant provisions of the 2018 Regulations or other relevant LGPS Regulations and will be adjusted if the member's pension comes into payment before or after normal pension age.

Example 2: Member retiring at normal pension age in normal health, with pension offset

Member Data

Member date of birth:	1 March 1955
Retirement date:	1 March 2021
Member's age last birthday:	66
Member's pension at retirement date before offset:	£20,000 per annum
Pension offset for 2018/19:	£410.25 per annum
Relevant date:	5 April 2019
Revaluation factor (from 2015/16 to retirement):	1.045 (illustrative)

The pension offset amount above for 2018/19 is payable at age 66 along with the member's pension, but revalued up to 2018/19 only.

From paragraph 2.21, the formula for adjusting the pension offset at retirement is:

Pension offset at retirement at normal pension age = Pension offset x REV

where:

Pension offset = £410.25
REV = 1.045

Substituting these values into the formula we get:

Adjusted pension offset	= £410.25 x 1.045
	= £428.71 per annum

The pension to be implemented is the full pension before offset less the pension offset(s) at the retirement age. Therefore, the pension to be implemented is:

= £20,000 - £428.71
= £19,571.29 per annum

This example assumes that the member only has one pension offset due to an annual allowance breach. However, it is possible for a member to accumulate multiple scheme pays offsets over the course of their membership in the scheme. If the member has more than one scheme pays offset, each offset must be calculated and deducted separately in line with the relevant section of the guidance.

Appendix A: Assumptions underlying factors

Financial assumptions

Nominal discount rate	4.448% pa
Real discount rate (in excess of CPI)	2.40% pa

Mortality assumptions

	Males	Females
Retirements in normal health	122% of S2NMA	117% of S2NFA
Retirements in ill-health	137% of S2IMA	131% of S2IFA
Dependants	159% of S2NMA	131% of S2DFA

Future mortality improvement	Based on ONS principal UK population projections 2016
Year of Use	2020

Other assumptions

Proportion of male members for unisex factors	40%
Allowance for commutation	Nil except for mandatory lump sum cases

Appendix B: Factors

Table A: Scheme pays factors for males and females (Table number 605 - Consolidated factor workbook)

Age Last Birthday at Relevant Date	Normal pension age of 65	Normal pension age of 66	Normal pension age of 67	Normal pension age of 68
16	5.95	5.66	5.37	5.09
17	6.08	5.77	5.48	5.20
18	6.20	5.90	5.60	5.31
19	6.33	6.02	5.71	5.42
20	6.47	6.15	5.83	5.53
21	6.60	6.27	5.95	5.64
22	6.74	6.41	6.08	5.76
23	6.88	6.54	6.20	5.88
24	7.03	6.68	6.33	6.00
25	7.18	6.82	6.47	6.13
26	7.33	6.96	6.60	6.25
27	7.48	7.11	6.74	6.38
28	7.64	7.25	6.88	6.51
29	7.80	7.41	7.02	6.65
30	7.97	7.56	7.17	6.79
31	8.14	7.72	7.32	6.93
32	8.31	7.89	7.47	7.07
33	8.49	8.05	7.63	7.22
34	8.67	8.22	7.79	7.37
35	8.85	8.40	7.95	7.53
36	9.04	8.57	8.12	7.68
37	9.24	8.76	8.29	7.85
38	9.43	8.94	8.47	8.01
39	9.64	9.14	8.65	8.18
40	9.85	9.33	8.84	8.35
41	10.06	9.53	9.02	8.53
42	10.28	9.74	9.22	8.71
43	10.50	9.95	9.42	8.90
44	10.73	10.17	9.62	9.09
45	10.97	10.39	9.83	9.29
46	11.21	10.62	10.04	9.49
47	11.46	10.85	10.26	9.70
48	11.71	11.09	10.49	9.91
49	11.98	11.34	10.72	10.12
50	12.25	11.59	10.96	10.35
51	12.52	11.85	11.21	10.58
52	12.81	12.12	11.46	10.82
53	13.10	12.40	11.72	11.06
54	13.41	12.69	11.99	11.31
55	13.72	12.98	12.26	11.57

56	14.05	13.29	12.55	11.84
57	14.38	13.60	12.85	12.12
58	14.74	13.93	13.16	12.41
59	15.10	14.28	13.48	12.71
60	15.48	14.63	13.81	13.02
61	15.87	15.00	14.16	13.35
62	16.28	15.38	14.52	13.68
63	16.71	15.79	14.90	14.04
64	17.15	16.21	15.29	14.41
65	17.38	16.65	15.70	14.79
66		16.87	16.14	15.20
67			16.36	15.63
68				15.85

Notes:
1. The offset applies only to the member's pension. Dependants' benefits are not affected.
2. The offset is equal to the tax charge divided by the appropriate factor.

Other scheme pays factors

The full set of tables of factors for use in scheme pays annual allowance and lifetime allowance tax charge calculations is available in GAD's consolidated factors workbook[2]. The table below lists those tables, alongside their sheet number in the workbook.

Section	Charge: AA or LTA	Description of factor set	Worksheet number
2015	AA	Scheme pays factors for NPAs 65 to 68	605
2015	AA	Age pensioner pension offset factors	607
2015	AA	Ill-health pensioner pension offset factors	608
Pre-2015	AA	Reduction to pension offset on ill-health retirement	609
Pre-2015	AA	Reduction to pension offset on retirement before age 65	610
2015	AA	Reduction to pension offset on ill-health retirement	611
2015	AA	Reduction to pension offset in normal health retirement before NPA	612
2015	LTA	Factors for calculating Lifetime Allowance debit (non-ill-health cases)	613
2015	LTA	Factors for calculating lifetime allowance debit (retirement in ill-health)	614

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[2] https://pensions.gov.scot/local-government/employers/actuarial-guidance

Appendix C: Limitations

C.1   This guidance should not be used for any purpose other than those set out in this guidance.

C.2   The factors contained in this guidance are subject to regular review. Scheme managers and administrators need to ensure that they are using the latest factors, as relevant, when processing cases.

C.3   Advice provided by GAD must be taken in context and is intended to be considered in its entirety. Individual sections, if considered in isolation, may be misleading, and conclusions reached by a review of some sections on their own may be incorrect. GAD does not accept responsibility for advice that is altered or used selectively. Clarification should be sought if there is any doubt about the intention or scope of advice provided by GAD.

C.4   This guidance only covers the actuarial principles around the calculation and application of an offset in relation to scheme pays elections. Any legal advice in this area should be sought from an appropriately qualified person or source.

C.5   Scheme managers and administrators should satisfy themselves that the offset and scheme pays arrangements comply with all legislative requirements including, but not limited to, tax and contracting-out requirements.

C.6   This guidance is based on the Regulations in force at the time of writing. It is possible that future changes to the Regulations might create inconsistencies between this guidance and the Regulations. If users of this guidance believe there to be any such inconsistencies, they should bring this to the attention of SPPA and GAD. Under no circumstances should this guidance take precedence over the Regulations. Administrators should ensure that they comply with all relevant Regulations.