

Public Private Partnerships/Private Finance Initiative

Passport system for pensions v4

Note by the Government Actuary's Department

1 Introduction

- 1.1 The Government published notes by HM Treasury entitled "A Fair Deal for Staff Pensions" in June 1999 and "Fair Deal for Staff Pensions: Procurement of Bulk Transfer Agreements and Related Issues" in June 2004. These built on earlier guidance which established the principles of protecting the pensions of employees moving from the public service with their jobs. The policy requires those organisations, tendering to provide services under a Public Private Partnership or Private Finance Initiative, to offer employees who are leaving the public service pension arrangements which satisfy two conditions:
1. Staff should have access after the transfer to a good quality occupational pension scheme under which they can continue to earn pension benefits through their future service.
 2. Staff should be given options for the handling of accrued benefits which they have already earned through the provision of a bulk transfer agreement.
- 1.2 The first of these conditions retains the guiding principle that pension arrangements offered by a new employer must be broadly comparable in value to those presently enjoyed by the employees who are transferring to the private sector. In order to satisfy this condition there needs to be a rigorous scrutiny of the pension arrangements which are proposed to test that there is no identifiable group of employees who will suffer overall material detriment in terms of their future accrual of pension benefits under the new pension scheme.
- 1.3 Bulk transfer agreements are handled separately and fall outside the scope of this note.
- 1.4 The Government Actuary's Department (GAD) advises Government departments, NHS employers and local authorities on the adequacy of the pension arrangements being proposed against this test of broad comparability.
- 1.5 A statement of practice by the Government Actuary on the assessment of broad comparability of pension rights was published alongside the policy document "A Fair Deal for Staff Pensions". A copy of our statement is attached at Appendix A.
- 1.6 Some organisations regularly tender for PPP/PFI contracts. Rather than having to explain their proposals separately on each such occasion many have seen advantage in being able to obtain advance certification from GAD that their pension scheme would satisfy the broad comparability test for a specified category of employee. For those organisations which meet the requirements of the pre-qualification process a certificate is provided by GAD which has become known as a passport.

- 1.7 This facility is open to any bidder for PPP/PFI business which involves a transfer of employees from central or local government; or the NHS. Applicants for a passport have to meet GAD's costs in making the assessment and supplying the documentation.
- 1.8 The Government's policy statement includes protection for subsequent employment transfers, for example when a contract is re-let. Those employees who originally transferred with their work from the public service and who have remained continuously employed (including any transfers under TUPE) are given similar protection to those in paragraph 1.1. A new contractor must offer a pension arrangement which is broadly comparable to the public service scheme which the employee originally left assessed against the design of that scheme as it then applied. Meeting the broad comparability test against the current design of that public service scheme would encompass this requirement. Any exceptions would be included on the GAD passport certificate.
- 1.9 This note describes the main features of the process carried out by GAD in assessing whether or not pension proposals being offered satisfy the broad comparability requirement. It goes on to describe the passport system. The note has the following sections:

Section 1 Introduction

Section 2 Public Service Pensions

Section 3 Broad comparability – Specific Tender

Section 4 Broad comparability – Passport

Appendix A Statement of Practice by the Government Actuary

Appendix B Summary of main characteristics of Public Service Schemes

2. Public Service Pensions

- 2.1 The most common form of public service pension provision is a defined benefit scheme. These schemes are offered to both permanent and fixed-term appointees from the start of their employment. Casual employees are generally offered access to a stakeholder pension scheme via their employer's payroll. With the exception of the civil service which provides the Partnership stakeholder arrangement employer contributions at the minimum required by statute are generally paid to such arrangements.
- 2.2 There are four main schemes which cover the great majority of public servants:
- Principal Civil Service Pension Scheme (PCSPS)
 - National Health Service Pension Scheme (NHSPS)
 - Local Government Pension Scheme (LGPS)
 - Teachers Pension Scheme (TPS)
- 2.3 There is a degree of commonality in the pension provision to public servants. However the extent of this commonality has reduced over recent years. Up to 30 September 2002 the schemes all provided a pension accruing at 1/80 of final pensionable salary for each year of service. A lump sum of 3 times the initial pension and widow(er)s pensions at half the member's rate were also provided. All benefits were fully protected against changes in the retail prices index after leaving service.
- 2.4 The arrangements for civil servants changed on 1 October 2002 although existing staff at the time had the option to remain on the existing terms.

Further changes to the arrangements for civil servants were made from 30 July 2007. Changes to the other schemes have also been made as follows:

- NHSPS – changes made from 1 April 2008
- LGPS – some change made end 2006, further changes (England & Wales) made from 1 April 2008, and (Scotland) from 1 April 2009
- TPS – changes made 1 January 2007 (England & Wales) and 1 April 2007 Scotland

Following these changes, although arrangements for some public servants remain based on the 1/80 pension plus 3 times lump sum model, others are based on 1/60 accrual of pension with lump sum available by commutation. PCSPS will offer 4 differing benefit structures covering 3 distinct benefit bases: two final salary, one money purchase (the Partnership arrangement into which employers pay an age related scale of contributions from 3% to 12.5% of pensionable pay with an employer matching of any employee contributions up to 3% of pensionable pay) and a new career average revalued earnings (CARE) scheme with an accrual rate of 2.3% each year. Appendix B sets out the main characteristics of the various differing benefit structures.

- 2.5 Some groups, no longer open to new admissions, have accelerated benefits. For example many nurses and mental health workers in the NHS, and some prison officers in the civil service.
- 2.6 To obtain a passport private sector employers are required to fulfil broad comparability requirements in respect of every section of the public service scheme which is open to new members. In addition where public service employees have the right to switch between sections of the same scheme such options must be provided.

More Information

- 2.7 Summaries of the key features of the main public service pension/arrangements are available on our website at www.gad.gov.uk or on request
- 2.8 The contracting authority will provide details of the pensions available to employees likely to transfer under a specific PPP/PFI contract.

Senior Appointments

- 2.9 New appointments to senior posts may be provided with a pension package, outside the general arrangements, which is tailored to their circumstances. Details of any such employees would be provided by the contracting authority at the time bids were invited. These employees fall within the scope of the policy described in section 1 but necessarily fall outside the passport system.

3 **Broad Comparability - Specific Tender**

Scheme Design

3.1 When a public contracting authority invites tenders, the responses will normally include proposals for pension arrangements, or a description of an existing pension scheme, which the bidders intend to offer to secure the contract.

3.2 This description should normally include the following key features:

- the rate at which pension benefits accrue
- the rate at which spouse's benefits accrue
- salary definition used for determination of pension benefits
- the rate of contribution towards the pension benefit expected from the members
- salary definition used for determination of the contributions paid
- benefits available on death in service and death after retirement
- the benefits available on ill-health (either from the scheme, the employer, or via an external Permanent Health Insurance arrangement)
- the rate at which pensions will be guaranteed to increase once they come into payment
- the extent to which discretionary increases to pensions might be paid. (Evidence would be sought in the form of discretionary payments paid over the last 10 years and the funding assumptions used by the actuary for determination of the contribution rate to be paid to the pension scheme.)
- the normal retirement age at which benefits are paid
- whether the scheme is contracted out of the state second pension and if so on what basis.
- options which might be available, and the terms of those options for the early payment of pension benefits or the commutation of pension into a lump sum
- eligibility conditions which apply for entry to the scheme.
- any pay rises or other increases in benefits which should be taken into account in considering the overall amount of benefits.
- the name of any external provider of a defined contribution or stakeholder pension.
- for defined contribution arrangements, the deductions made by the scheme or provider from new contributions made and from the accumulated fund.

The tenderer should also provide a copy of the literature to be issued to scheme members including that from any defined contribution or stakeholder pension provider. At a later stage copies of the Trust Deed and Rules of the scheme and evidence of the current funding level of a defined benefit scheme and related information may be sought.

- 3.3 The basic approach is one of broad comparability in terms of overall value of the benefit provided as measured by the cost to the employer.
- 3.4 This does not imply that the arrangements proposed by tenderers have to be identical to the pensions available to the employees at present. Opportunity is left open for proposals to be made which alter the balance between different benefits. Where a difference produces a detriment relative to the corresponding provision in the public service scheme some improvement will need to be offered elsewhere to compensate. This may be in the form of a benefit from the pension scheme, or in other terms and conditions of service. Failure to offer some offsetting improvement could be expected to trigger payment of compensation.
- 3.5 The new pension scheme will operate in the private sector and be subject to the requirements of Her Majesty's Revenue and Customs (HMRC) for tax exempt approved pension schemes. This provides an envelope within which the new employer must design his pension arrangement. Improvements may be offered over some aspects of the public service pension scheme to compensate for reductions in other areas. It may be, for example, that a new employer does not wish to offer full price indexation of benefits in payment. A more common provision is to offer a guarantee that benefits will be increased in line with prices up to a maximum of 5% in any one year. This may be accompanied by an improvement in the rate at which pension benefits accrue over that in the public service.

Assessment of value

- 3.6 It is our understanding that benefits provided as a result of redundancy or which arise from an injury or death at work are protected by the Transfer of Undertaking (Protection of Employment) Regulations 2006. They are not taken into account in assessing broad comparability.
- 3.7 For a specific contract, the purpose of the GAD assessment is to ensure that, for the group of staff who are affected, the pension scheme offers a package which is broadly speaking no worse in value than that which they presently enjoy. This is not to say that some individuals may not be better or worse off in certain circumstances but overall there is no significant detriment to any identifiable individual or group of individuals within the body of staff being transferred to the private sector. In order to conduct the comparison exercise the present employer provides information on the key pension characteristics of the employees affected; their pay, service, age, sex and the nature of their work.
- 3.8 For each individual, or group of similar individuals within the staff affected a value is assessed of both the benefit package on offer and that provided under their current scheme. Consistent assumptions are used in making these assessments taking account of the demographic characteristics of the group as public servants, operating under their current and continuing terms and conditions of employment, and using suitable financial assumptions.
- 3.9 Ways of offsetting any detriment identified are then explored with the bidder.

Money purchase or defined contribution schemes

- 3.10 GAD cannot accept a pension arrangement as broadly comparable which does not offer a defined benefit section in place of a defined benefit section of a public service schemes; or a defined contribution arrangement in place of a defined contribution section of a public service arrangement.
- 3.11 In a defined benefit scheme the employees know precisely their entitlement calculated on the basis of their service within the scheme and their salary close to retirement, or in the case of a CARE scheme during their employment, in the different circumstances in which they might leave the scheme. The employer agrees to meet the cost, less the contributions being met by the employees, of providing the pension benefits which have been promised. The employer therefore carries the risks of the effects of variation in inflation, earnings growth, investment return, mortality etc. In a money purchase or defined contribution scheme the employer and the employee contribute defined amounts to the scheme. These contributions are accumulated during the period of membership of the scheme until such time as benefits need to be paid. At that time the amount of benefit which is available to the employee will depend upon the extent to which those monies have accumulated, which depends upon investments used and the rates of return achieved on those investments, and terms on which pension benefits may be bought through the purchase of annuities from insurance companies. There is no guarantee as to the level of benefit which is to be available. The employer's liability has been limited to the contributions which he has paid to the scheme while the employee was a member. The risk of the uncertainties attached to pension provision is therefore carried by the member rather than employer.
- 3.12 The different natures of defined benefit and defined contribution schemes and the transfer of risk which occurs on a move from one to the other makes it very difficult to regard them as comparable. The actuarial professional bodies provide in one of their guidance notes, which is mandatory for actuaries to follow, that in similar circumstances to those in PPP/PFI, it is not generally acceptable for money purchase to be regarded as comparable with defined benefit schemes; or vice versa.
- 3.13 Money purchase pension schemes have a place in the range of alternatives for making provision for retirement; they can offer the best option for pension provision. In the context of PPP/PFI it is comparability rather than appropriateness which is relevant.
- 3.14 The lack of actuarial certification of comparability does not mean that money purchase schemes cannot form part of a package being proposed by a bidder to replace a defined benefit section of a public service scheme. The contracting authority may agree to accept this option. Bidders could then negotiate with the staff transferring (and their representatives as appropriate) with the intention of obtaining their agreement to a new remuneration package which would take effect at the point of transfer. This could include a money purchase pension scheme.
- 3.15 It is recognised that there are significant costs in operating a defined benefit scheme for a small group of employees. This alternative route may offer attractions for bidders for such contracts.

Other safeguards

- 3.16 The public service schemes provide a range of benefits payable on different contingencies: death, retirement, ill health or resignation. We expect that proposals made should offer the same range of coverage; there should be the opportunity for a member to take benefits in the same circumstances as at present. In particular the opportunity to take unreduced retirement benefits at the same time as under the present arrangements should be retained. This is likely to coincide with other terms of employment which govern when and in what circumstances retirement can occur. These non-pension terms and conditions will have transferred under TUPE.
- 3.17 The benefits under the defined benefit sections of public service schemes are absolutely guaranteed by the government. (No such guarantee attaches to defined contribution arrangements.) GAD therefore consider it appropriate, before certifying that a defined benefit scheme is broadly comparable, to check that safeguards are built into the scheme's provisions to protect the members' interests. There are two key concerns: access to information about the scheme and protection for benefits which have accrued. Schemes should follow the provisions of the Pensions Acts 1995 and 2004 and provide for member representation on the trustee body. Protection of accrued benefits would normally require explicit provision within the scheme that benefits could not be worsened in respect of service completed to date without the agreement of the members concerned. Should the employer choose to change the pension arrangements the benefits accrued would be protected either by the provision of transfer arrangements to a new pension scheme or by ensuring that benefits will be secured which have equivalent value to those which were held immediately before the scheme was wound up, including the value of the final salary link. This would also apply if the staff concerned move to a new employer through a trade-sale or contract re-let, for example.
- 3.18 In some cases pension proposals may not be broadly comparable but some improvement elsewhere in the remuneration package is being offered to make up the detriment. This is most likely to arise if members are expected to contribute at a higher rate in their new employer's scheme than they would have contributed to their public service scheme. In these cases there would be an immediate loss of net pay for the employees affected, which can easily be made good by a salary increase of equivalent value. Other improvements in the remuneration package can also be considered, for example permanent health insurance.

Certificate

- 3.19 Once GAD had completed its pension assessment a certificate would be issued to the public contracting authority in respect of each of the tenderers who satisfied the broadly comparable test. This certificate gives GAD's formal opinion of the proposals made by the bidder, including any undertakings which he has made in association with those proposals, under the supposition that he would implement these proposals if successful. Appended to the certificate would be details of the pension arrangement proposed together with any supplementary adjustments to the remuneration package.

4. Broad Comparability – Passport

- 4.1 There may be significant resource implications for an organisation which wishes to tender for a number of PPP/PFI contracts in repeatedly explaining its pensions proposals to different public service employers. It may prefer to pay an initial fee in order to secure a certificate from GAD that its proposals could be taken as satisfying the broad comparability test in respect of named categories of employees to be covered by the range of contracts it is seeking. Companies which are intending to market comparable schemes may also wish to consider this approach.
- 4.2 There is no general requirement for bidders to seek a pre-qualification passport. A passport involves the bidder meeting a fee, unlike an assessment made as part of a contract evaluation. This pre-qualification condition might disadvantage employers who are not intending to bid for a number of contracts. Unless expressly required under the invitation to tender, the public service contracting authority will not attach any advantage, in assessing the tenders received, to a bidder who has acquired a pre-qualification passport.
- 4.3 The process for the assessment of pension proposals with a view to issuing a passport is very similar to that undertaken when examining proposals in the context of a specific contract. However there is no identifiable group of employees involved. The test is therefore much wider. Many different pension characteristics of individual employees might be encompassed by contracts for which the passport is to be used. In making our assessment we therefore examine a very large range of employee profiles considering different ages, gender, salary levels and service length, in deciding whether or not the pension arrangement being proposed could be considered to be broadly comparable.
- 4.4 A certificate could only be issued where there is a direct correspondence between the defined benefit and defined contributions sections of public service pension arrangements; and the defined benefit and defined contribution sections of the bidder's proposals. The same value assessments are made and the same nonfinancial aspects are considered as described in section 3.
- 4.5 A certificate can be issued where a bidder's scheme meets all the conditions. This certificate will give GAD's opinion of the pension proposals made by the bidder and will incorporate a description of the benefit package which has been assessed. A final certificate will only be issued once the definitive Trust Deed and Rules, or corresponding contractual obligations for defined contributions, have been effected, and the arrangements approved by our own legal advisers. If proposals are made for a pension scheme which is yet to be established, an interim form of certificate is given making it clear that the contracting authority must be satisfied that the bidder intends to implement the pension arrangements described before accepting the passport.
- 4.6 A final certificate is normally valid for a period of up to 2 years, interim certificates are issued for shorter periods of up to 6 months. In either case the certificate would be invalidated if there was to be any change in the pension arrangements being proposed by the bidder or a significant change in the public service arrangement.
- 4.7 A copy of the passport should be submitted as part of the tender. Before accepting the passport as valid the contracting authority should be satisfied that the proposals being made accord with the description of the scheme on the passport. It should contact GAD to ensure that the passport is extant and that the group of individuals covered by the passport included those who are to be subject to the market test.

Fee

- 4.8 Applicants for a passport must agree to meet GAD's costs in making the assessment. Charges are calculated on a time/cost basis and vary depending on a number of factors, including the complexity of the scheme, its closeness to the broad comparability standard and the ease with which modification to the scheme, or proposed scheme, can be achieved. An estimate of likely costs can be provided on request. A deposit against fees is normally required.

More Information and Contracting GAD

- 4.9 A copy of this note and other material related to public service pensions generally as well as to broad comparability can be found in GAD's website: www.gad.gov.uk.
- 4.10 An employer who wishes to pursue the option of a passport of broad comparability should contact Gerry Ridge (020 7211 2676) or Sunil Thakrar (020 7211 2689). Alternatively email contact can be made at firstname.lastname@gad.gov.uk or to pensions@gad.gov.uk.

Government Actuary's Department

V4 Autumn 2009

V3 June 2008

V2 May 2007

V1 July 2002

Assessment of Broad Comparability of Pension Rights

Statement of Practice by the Government Actuary

26 May 1999 [*Annotated to incorporate later amendments*]

The Government has issued a Code of Practice entitled “*Transfers of Government Staff: A Fair Deal for Pensions*” [and “*Fair Deal for Staff Pensions: Procurement of Bulk Transfer Agreements and Related Issues*”] describing the key steps which the Government is taking when staff are transferred within the public service, or from the public service to the private sector, with their work. Central to the process is the requirement for an assessment of whether pension arrangements being offered to employees by their new employer are “broadly comparable” to those provided by their existing employers. This requirement relates only to the period of employment after the change of employer. Exceptionally, if comparability is not available, there is a requirement for the valuation of any detriment on pensions to be offset by elements of the remuneration package outside the pension scheme.

This Statement of Practice sets out the principles on which the Government Actuary’s Department (GAD) undertakes its assessments of broad comparability.

Assessments may be commissioned by a public service employer, or by a contracting authority, on a one-off basis in relation to a specific group of staff. They may also be commissioned by a private sector employer with a view to obtaining a “passport” that his pension scheme is broadly comparable to a specific public service scheme for any group of employees who may transfer from that scheme to his employment over a given period. In either case, the principles are the same. For a passport, where a specific group of employees cannot be identified, the tests are conducted using a very large range of employee profiles containing different characteristics affecting the value of pension rights, for example age, gender, salary level and service length.

Benefits Against Which Assessment Is Made

The assessment will be made against those benefits provided as a right from the current employer’s pension scheme, for which the employees are eligible, and the contributions which employees pay towards that scheme. The assessment will not take account of any benefits which are payable solely as a result of a member being declared redundant, either compulsorily or voluntarily, where those exceed the normal benefits available to an individual who resigns from employment at that time. The assessment excludes the injury benefits payable by public service employers which provide a minimum income guarantee as a result of injury or death while in the service of the employer. It is recognised that there is uncertainty over the legal protection for benefits available on redundancy and injury within the Transfer of Undertakings (Protection of Employment) Regulations 1981 [*now 2006*]. [*It is now GAD’s understanding that these benefits are protected.*] If so requested by a public service employer or contracting authority, an additional assessment of comparability of the arrangements being offered by the new employer against a base of those on offer with the existing public service employer will be undertaken. [*GAD no longer provides this service.*]

General Principles

The general principles on which the assessment of broad comparability is made on transfers from the public service to the private sector are set out below. Corresponding principles apply on other transfers. It must be recognised that there is a very wide range of possible remuneration packages, including pensions, and that some flexibility may need to be applied in the practical implementation of these principles.

Value

- The overall value of the new scheme should be equal to or greater than that of the current scheme.
- In addition to the test of overall value, assessments of value will be made separately for different types of individual, e.g. for different pay levels, for different ages, and for any other characteristics which could reasonably be expected to have a material impact on the value of pension benefits.
- Value is assessed by calculating, on consistent assumptions and methods, the underlying employer costs, in excess of the employee's share of the cost, of providing the benefits under the scheme which will accrue over the remaining working life.
- Value is considered as that in the hands of the employee gross of any liability to tax.

Contributions

- Schemes with higher employee contributions will not be deemed broadly comparable because of the implied reduction in net pay (unless a compensating pay rise is proposed).

Benefits

- The range of benefits provided under the new schemes must at least match that provided by the current scheme.
- Benefits must be available from the new scheme in respect of the same events and at the same time as would have arisen in the existing scheme.
- In some cases, the amount of benefit may be lower on a particular contingency than under the current scheme, but this will need to be balanced by better benefits on other contingencies.
- Normal retirement age – at which full unreduced retirement benefits are available without employer consent and at which deferred benefits are payable – will be no greater than in current scheme.
- The initial rate of pension at normal retirement age should normally be no lower than that in the former scheme.

- Shortfalls in the level of pensions increases offered must be offset by better benefits elsewhere.
- In defined benefit schemes, benefits and contributions must be calculated on a definition of pensionable pay of at least the value of that applying in the current scheme.
- Under the arrangements for contracting-out of the State Earnings-Related Pension Scheme [*now S2P*] currently in place, schemes which are either contracted-out or not contracted-out will be considered for broad comparability.
- Time spent with the current employer which would have counted towards qualification for benefits in the existing scheme will count in the new employer's scheme as qualifying service, regardless of whether or not accrued rights are transferred to the new scheme.

Membership

- All those eligible to participate in the current scheme will automatically be admitted to the new scheme from the date of transfer of employment without medical examination. This would not interfere with an employee exercising his/her right to choose to opt out of scheme membership.

Security

- It is recognised that the security of a private sector scheme cannot be provided in the same form as that applying in the public service, but specific safeguards will be sought in the following areas:
 - member representation on trustee bodies
 - protection of accrued rights, on an on-going basis, on any rule change
 - changes inspired by the employer, including loss of the contract, involving joining another pension scheme will trigger the offer of a bulk transfer payment or enhancement of benefits within the scheme, to a level commensurate with existing benefits.

Type of Scheme

- Only defined benefit schemes will be certified as broadly comparable to defined benefit schemes; only defined contribution schemes will be certified as broadly comparable to defined contribution schemes.
- A test of adequacy of contribution (for a defined contribution scheme) or of benefit design where broad comparability cannot apply (for a defined benefit scheme) will be carried out with the aim, but not the certainty, of ensuring benefits of similar value are expected to emerge.
- When the transfer is between defined benefit and defined contribution schemes, (or vice versa), specific provision should be made for death benefits.

Certification

Pension proposals which satisfy my view of broad comparability will be certified as such. The onus, as set out in the certificate, will be on the current employer to ensure that the pension promises made by the prospective new employer are delivered for the staff concerned.

The certificate will detail the key design features of the proposed pension arrangement and any associated undertakings provided by the new employer. It will be written in plain English. It will be in a form which can be distributed to the employees and their representatives.

Where a passport application is being considered an interim certificate will be issued if the formal documentation and approvals from regulatory bodies are not in place.

C D Daykin
Government Actuary
26 May 1999
London

Summary of main characteristics of Public Service Schemes

Scheme/section	Availability	Main characteristics
PCSPS		
Classic	Closed to new joiners 30/9/02	Final salary Contracted out NPA 60 Pension accrual 1/80 Cash accrual 3/80
Premium (Classic Plus ⁽ⁱ⁾)	Open to new joiners 1/10/02 – 30/7/07 (and transferees at 1/10/02)	Final salary Contracted out NPA 60 Pension accrual 1/60 Cash by commutation
Partnership	Open to new joiners 1/10/02 onwards (and transferees at 1/10/02)	Money purchase stakeholder No minimum member contribution Employer contribution: Match member to 3% Plus age related between 3% and 12.5%
Nuvos	Open to new joiners 30/7/07 onwards	CARE RPI indexation Contracted out NPA 65 Pension accrual 2.3% Cash by commutation
LGPS		
Single arrangement	Changes to NPA made end 2006 ⁽ⁱⁱ⁾ Accrual basis changed 1/4/08 ^(v)	Final salary Contracted out NPA 65 ⁽ⁱⁱ⁾ Service to 31/3/08: ^(v) Pension accrual 1/80 Cash accrual 3/80 Service from 1/4/08 ^(v) Pension accrual 1/60 Cash by commutation

NHS Pre 1/4/2008 joiners Post 1/4/2008 joiners	Closed to new joiners 31/03/08 ⁽ⁱⁱⁱ⁾ Open to new joiners 01/04/08 onwards and transferees ⁽ⁱⁱⁱ⁾	Final salary Contracted out NPA 60 Pension accrual 1/80 Cash accrual 3/80 Final salary Contracted out NPA 65 Pension accrual 1/60 Cash by commutation
TPS Pre 1/1/2007 ^(iv) joiners Post 1/1/2007 ^(iv) joiners	Closed to new joiners 31/12/06 ^(iv) Open to new joiners 1/1/07 ^(iv) onwards	Final salary Contracted out NPA 60 Pension accrual 1/80 Cash accrual 3/80 Final salary Contracted out NPA 65 Pension accrual 1/60 Cash by commutation

Notes

(i) Classic plus members have Classic benefits for accrual to 30/9/02 and Premium for accrual from 1/10/2002

(ii) Some LGPS members who were in service on 30/9/06 (or 31/11/06 in Scotland) retain an age/service related NPA earlier than 65 for service to 31/3/08 (or later for older members). New joiners from 1/10/06 (1/12/06 in Scotland) have NPA 65.

(iii) Members in service before 1/4/2008 will have a one-off option to join the Post 1/4/2008 structure. The option period is expected to run between 1/7/2009 and 30/6/2010

(iv) TPS change date 1/4/2007 in Scotland

(v) LGPS Scotland change date 1/4/2009