

## Annex D – Notes on calculating the estimated value of the 2015 scheme pension at retirement

### 2015 Scheme – estimated pension

The estimated value of the 2015 scheme pension is calculated based on the 2015 pension built up to the date of your statement, plus your estimated service from that date to your normal pension age (age 60), multiplied by the 2015 scheme pay, multiplied by  $1/59.7^{\text{th}}$  of your pensionable pay for the scheme year.

If, at the date of your statement, you have not yet moved into the 2015 scheme but will do so by your normal retirement age, the salary used to estimate your benefits is your current actual pay.

The value of this estimate does not include any adjustment for future revaluation under Treasury Revaluation Orders.

The three examples below show how this would be calculated at different dates of joining the scheme.

- [Example A](#) – Unprotected member who joined the scheme at 1 April 2015
- [Example B](#) – Taper-protected member who joined the scheme during the scheme year
- [Example C](#) – Protected member who hadn't yet joined the 2015 scheme at the date of the statement but did so on 1 April 2022

### Example A – Unprotected member who joined the scheme at 1 April 2015

Sarah's date of birth is 25 May 1972. Sarah moved into the 2015 scheme as an unprotected member on 1 April 2015 and will reach normal pension age (age 60) on 25 May 2032.

#### Pensionable pay

1 April 2015 to 31 March 2016 - £40,000  
 1 April 2016 to 31 March 2017 - £42,500  
 1 April 2017 to 31 March 2018 - £50,000  
 1 April 2018 to 31 March 2019 - £55,000  
 1 April 2019 to 31 March 2020 - £64,000  
 1 April 2020 to 31 March 2021 - £70,000  
 1 April 2021 to 31 March 2022 - £72,500

#### Current value 2015 scheme Pension

Scheme year	Opening balance	Revaluation	In-year build-up	Closing balance
1 April 2015 to 31 March 2016	£0.00	£0.00	£670.02 (£40,000 x 1 ÷ 59.7)	£670.02
1 April 2016 to 31 March 2017	£670.02	at 2% £13.40	£711.89 (£42,500 x 1 ÷ 59.7)	£1,395.31
1 April 2017 to 31 March 2018	£1,395.31	at 2.6% £36.26	£837.52 (£50,000 x 1 ÷ 59.7)	£2,269.11
1 April 2018 to 31 March 2019	£2,269.11	at 3% £68.07	£921.27 (£55,000 x 1 ÷ 59.7)	£3,258.46
1 April 2019 to 31 March 2020	£3,258.46	at 2.8% £91.24	£1,072.03 (£64,000 x 1 ÷ 59.7)	£4,421.72
1 April 2020 to 31 March 2021	£4,421.72	at 4% £176.87	£1,172.53 (£70,000 x 1 ÷ 59.7)	£5,771.12
1 April 2021 to 31 March 2022	£5,771.12	at 4.1% £236.62	£1,214.40 (£72,500 x 1 ÷ 59.7)	£7,222.14

### Estimated projection to normal retirement age (60)

Service from 1 April 2022 to 24 May 2032 (last day of service) of 10 years and 54 days multiplied by £72,500 x 1 ÷ 59.7, equals a total estimated pension of **£12,323.71**.

### Total estimated 2015 scheme pension at normal retirement age

Current value (£7,222.14) plus estimated projection (£12,323.71) = **£19,545.85**

### Example B – Taper-protected member who joined the scheme during the scheme year

Mo is a taper-protected member, whose date of birth is 22 January 1971. He moved into the 2015 scheme on 6 September 2015. Mo will reach normal pension age (age 60) on 22 January 2031.

#### Pensionable pay

Mo's current actual pay at the date of his statement is £34,000.00.

6 September 2015 to 31 March 2016 ( $207 \div 365 \times £31,189$ ) = £17,688.01

1 April 2016 to 31 March 2017 – £31,500.89

1 April 2017 to 31 March 2018 – £31,815.90

1 April 2018 to 31 March 2019 - £32,134.06

1 April 2019 to 31 March 2020 - £32,455.40

1 April 2020 to 31 March 2021 - £33,279.95

1 April 2021 to 31 March 2022 - £34,000.00

#### Current value 2015 scheme pension

Scheme year	Opening balance	Revaluation	In-year build-up	Closing balance
6 September 2015 to 31 March 2016	£0.00	£0.00	£296.28 (£17,688.01 x 1 ÷ 59.7)	£296.28
1 April 2016 to 31 March 2017	£296.28	at 2% £5.93	£527.65 (£31,500.89 x 1 ÷ 59.7)	£829.86
1 April 2017 to 31 March 2018	£829.86	at 2.6% £21.58	£532.93 (£31,815.90 x 1 ÷ 59.7)	£1,384.37

1 April 2018 to 31 March 2019	£1,384.37	at 3% £41.53	£538.26 (£32,134.06 x 1 ÷ 59.7)	£1,964.16
1 April 2019 to 31 March 2020	£1,964.16	at 2.8% £55.00	£543.64 (£32,455.40 x 1 ÷ 59.7)	£2,562.80
1 April 2020 to 31 March 2021	£2,562.80	at 4% £102.51	£557.45 (£33,279.95 x 1 ÷ 59.7)	£3222.75
1 April 2021 to 31 March 2022	£3222.75	at 4.1% £132.13	£569.51 (£34,000.00 x 1 ÷ 59.7)	£3924.39

#### **Estimated projection to normal retirement age (60)**

Service from 1 April 2022 to 21 January 2031 (last day of service) of 8 years and 296 days multiplied by £34,000.00 x 1 ÷ 59.7, equals a total estimated pension of **£5,017.97**

#### **Total estimated 2015 scheme pension at normal retirement age**

Current value (£3924.39) plus estimated projection (£5,017.97) = **£8,942.36**

#### **Example C – Protected member who hadn't yet joined the 2015 scheme at the date of the statement but did so on 1 April 2022**

Gary is a taper-protected member of the 1992 scheme, whose date of birth is 15 July 1966. He will move into the 2015 scheme on 1 April 2022. Gary will reach normal pension age (age 60) on 15 July 2026.

Gary's current actual pay at the date of the statement is £39,383.

His service from 1 April 2022 to 14 July 2026 (last day of service) is 5 years and 105 days.

His estimated 2015 scheme pension is calculated as £39,383 x 1 ÷ 59.7 multiplied by 4years 105 days. This equals a total estimated pension of **£2,828.50**