

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

FPS 2015 – estimated pension

The estimated value of your FPS 2015 benefits 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.

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

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

- [Example A](#) –Member who chooses reformed scheme (FPS 2015) benefits for the remedy period (1 April 2015 to 31 March 2022)
- [Example B](#) – Member who chooses legacy scheme (FPS 1992) benefits for the remedy period.

Example A –Member who chooses reformed scheme benefits for the remedy period

Sarah's date of birth is 25 May 1972. Sarah chooses reformed scheme benefits for the remedy period 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
1 April 2022 to 31 March 2023	- £76,300
1 April 2023 to 31 March 2024	- £80,115

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 2.4% £138.51	£1,214.40 (£72,500 x 1 ÷ 59.7)	£7,124.03
1 April 2022 to 31 March 2023	£7,124.03	at 4.1% £292.09	£1,278.06 (£76,300 x 1 ÷ 59.7)	£8,694.18
1 April 2024 to 31 March 2024	£8,694.18	At 7.7% £669.45	£1,341.96 (£80,115 x 1 ÷ 59.7)	£10,705.59

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 £80,115 x 1 ÷ 59.7, equals a total estimated pension of **££13,618.13.**

Total estimated FPS 2015 pension at normal retirement age

Current value (£10,705.59) plus estimated projection (£13,618.13) =
£24,323.72

Example B – Member who chooses legacy benefits (FPS 1992) for the remedy period

Gary was a member of FPS1992, whose date of birth is 15 July 1966. He moved into the FPS 2015 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 £40,633.

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

His estimated FPS 2015 pension is calculated as £40,633 x 1 ÷ 59.7 multiplied by 4years 105 days. This equals a total estimated pension of **£3,403.69**