NHS Pension Scheme (NHSPS)

Membership data

Actuarial valuation as at 31 March 2020

Garry Swann and Benjamin Scutt

19 October 2023

Highlights

NHSPS valuation data

3,234k

Members as at
31 March 2020

+12.5% vs. 2016

Key headlines

The quality of the NHSPS valuation data as at 31 March 2020 has slightly deteriorated compared with the data used for the 2016 valuation. In forming this opinion we consider the proportion of individual records which passed our reasonableness checks and which could be used directly for the valuation. This proportion has reduced since the last valuation.

Initial data quality

94.0%

Proportion of 'at 31 March 2020' records provided which we are able to use.

Deterioration vs. 96.2% in 2016

Data quality after checks and adjustments

After making necessary adjustments detailed in this report, our conclusion is that the data is appropriate for the purpose of the 2020 NHSPS valuation. However, a different approach to adjusting data could still lead to different valuation results.

Contents

Report on data quality

Appendices

Any terms that appear in this report in underlined text are defined in the Glossary.

At the Government Actuary's Department (GAD), we seek to achieve a high standard in all our work. We are accredited under the Institute and Faculty of Actuaries' Quality Assurance Scheme. Our website describes the standards we apply.

1. Introduction

Who is this report for?

This report is addressed to the Secretary of State for Health and Social Care. HM Treasury's Directions (the Directions) requires the scheme actuary to provide information about the scheme and data. The purpose of this report is to provide the data we will be using and to help readers be confident that the results of the valuation are fit for purpose.

Why has the data been collected?

This data is needed to carry out an actuarial valuation of the NHSPS as at 31 March 2020, in accordance with HM Treasury's Directions. This data will be used to set actuarial assumptions, and together the data and assumptions will be used to calculate valuation results.

Why is the data important?

The results of the valuation are critically dependent on the quality of the data used. Poor data could lead to employers making different decisions due to paying too high or too low a contribution rate, or to benefit changes being made unnecessarily.

This data is often used for other important work as well, including NHSPS annual Resource Accounts.

Results

Assumptions

Data

Data is the first and most important building block of an actuarial valuation.

2. Data as at 31 March 2020

Who provided the data?

This data was wholly provided by the administrators of the NHSPS, the Pensions Division of NHSBSA.
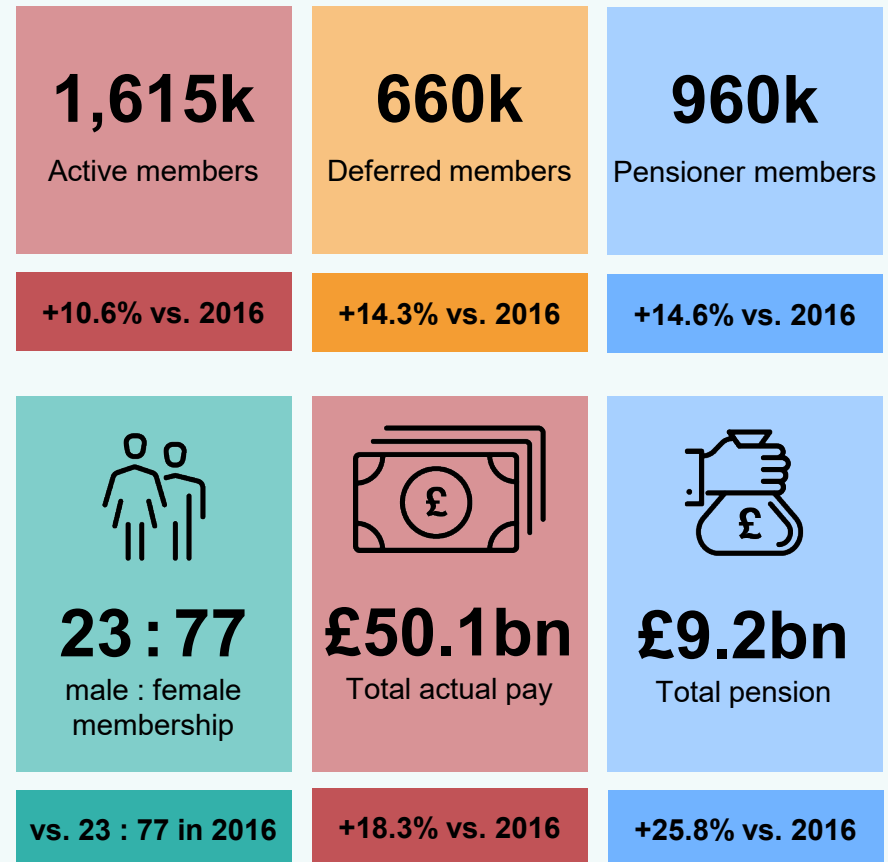
What is the data used for?

It will be used to calculate the results of the 2020 NHSPS valuation, specifically:

* employer contribution rates due from 2024
* the cost cap cost of the scheme
* actuarial liabilities as at 31 March 2020.

Detailed data summaries are included in **Appendix A – Detailed summaries: data as at 31 March 2020**.

Data provided

NHSBSA additionally provided data for 8.7k pensioners identified as partial retirement members. Such members were not included in the original receipt of data, but the associated pension in payment of around £70m pa has been valued. The membership data for pensioners in this report does not include these partial retirement members.

1,615k	660k	960k
Active members	Deferred members	Pensioner members
+10.6% vs. 2016	+14.3% vs. 2016	+14.6% vs. 2016

23 : 77	£50.1bn	£9.2bn
male : female membership	Total actual pay	Total pension
vs. 23 : 77 in 2016	+18.3% vs. 2016	+25.8% vs. 2016

Pension amount includes the April 2020 pension increase
The figures above do not include the records for pension in payment for partial retirement members.

3. Movements data

Where did the data come from?

This movements data for 2016 to 2020 was wholly provided by the administrators of the NHSPS, the Pensions Division of NHSBSA.

What is movements data used for?

We requested movements data in order to review existing assumptions about the scheme membership and propose new assumptions where appropriate. Agreed assumptions are then used to carry out valuation calculations.
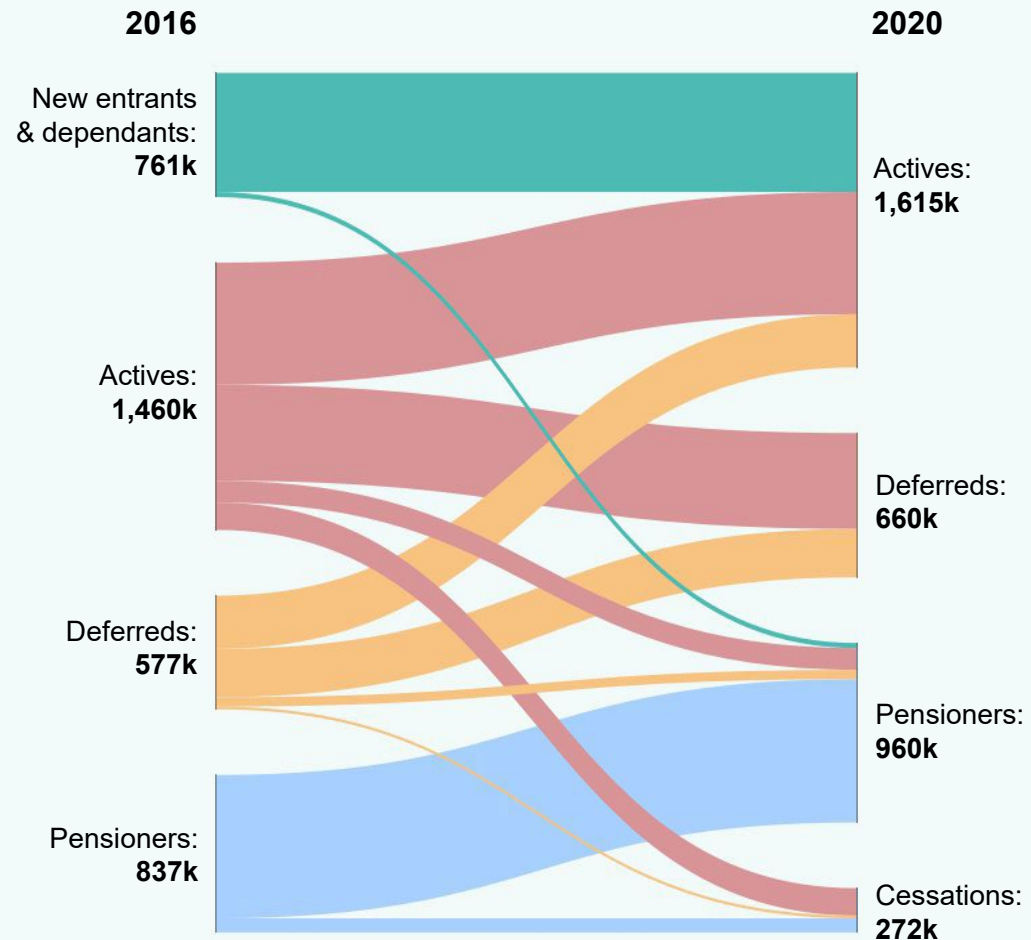
Membership reconciliation

This movements data is used to perform a reconciliation which compares data as at 31 March 2016 and 31 March 2020 against movements occurring between this period to check that membership figures are in agreement.

Where can I find out more?

Detailed data summaries are included in **Appendix B – Detailed summaries: movements data**.

What does the chart show?

The chart below summarises movements between member categories from 2016 to 2020. The thicker the line, the greater the number of member movements occurring.

2016   **2020**

New entrants & dependants: **761k**

Actives: **1,460k**

Deferreds: **577k**

Pensioners: **837k**

Actives: **1,615k**

Deferreds: **660k**

Pensioners: **960k**

Cessations: **272k**

4. Checks and adjustments

Why is this data checked?

We carry out checks to ensure this data is fit for purpose for the valuation. These checks also help us to understand and describe limitations on the valuation results due to data omissions. This is also a professional actuarial requirement.

What checks are carried out?

We carry out checks on aggregated statistics produced from the data, and on a record by record basis. A simplified process diagram is shown to the right.
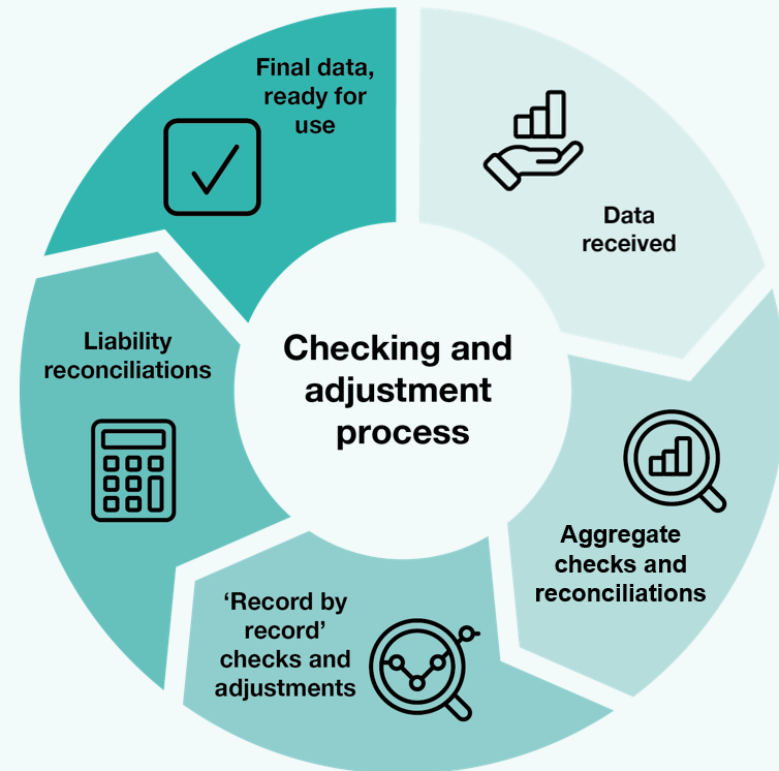
What happens to unreliable data?

Where our checks show that a data record seems to be unreliable, it is either excluded or adjusted. We do this to make sure the data is appropriate for calculating valuation results.

Where we exclude valid data records, we typically compensate for this by scaling up similar, included records.

Where can I find out more?

A detailed summary of what we've done is contained in **Appendix C – Checks, adjustments and uncertainty**.

Checking and adjustment process:
- Final data, ready for use
- Data received
- Aggregate checks and reconciliations
- 'Record by record' checks and adjustments
- Liability reconciliations

After checks & adjustments:

After finalising our checks and adjustments we will consider potential data improvements. We will engage with scheme managers on any issues we have identified to improve future data submissions, where possible and as appropriate.

5. Data quality

Who is responsible for data quality?

The Secretary of State for Health and Social Care is responsible for ensuring appropriate data is provided in order to support the legislative requirement to perform a valuation.

It is the Department's responsibility to ensure that data that is provided is in line with our specifications.

Was the data provided of good quality?

The percentage of data which was able to be used and not subject to exclusion is shown to the right. High percentages suggest good quality data.

The quality of the NHSPS valuation data as at 31 March 2020 is a deterioration on the data used for the 2016 valuation.

Can the data be used for the valuation?

Yes. After making the adjustments detailed in this report, we believe the data is appropriate for the purposes of the 2020 valuation.

Initial data quality

94.0%
Proportion of 'at 31 March 2020' records provided which we are able to use

Deterioration vs. 96.2% in 2016

91.9% Actives	**92.5%** Deferreds	**98.5%** Pensioners
Deterioration vs. 95.2% in 2016	Deterioration vs. 94.3% in 2016	Deterioration vs. 99.3% in 2016

Data quality after checks & adjustments

✓

After making the necessary adjustments detailed in this report, we conclude that the data is appropriate for the purpose of the 2020 NHSPS valuation.

6. Impact of data limitations

Do data limitations cause uncertainty?

Yes. Our checks and adjustments aim to ensure that the data is appropriate for use in valuation calculations. However, our checks do not constitute a full audit of the data and our adjustments, although reasonable in our view, may not mean that the dataset adopted accurately reflects the true data of the scheme. This means that there is **residual data uncertainty**.

Is data uncertainty a significant issue?

Residual data uncertainty can potentially have an impact on valuation results, including for example on the cost cap cost of the scheme and any resulting impact on member benefits.

However, in large and complex data sets this uncertainty is normal and is not usually a cause for concern.

In our view, the residual uncertainty present in this data is not significant enough to dissuade users from taking actions recommended from this valuation.

Where can I find out more?

A more detailed summary of residual data uncertainty is set out in **Appendix C – Checks, adjustments and uncertainty**.

7. Limitations

Data

In preparing this report, GAD has relied on data and other information supplied by the Pensions Division of NHSBSA as described in the report. GAD has not sought independent verification around its general completeness and accuracy (beyond our comparisons with the relevant Resource Accounts).

Any checks that GAD has made are limited to those described in the report, including those relating to the overall reasonableness and consistency of the data. These checks do not represent a full independent audit of the data supplied.

Throughout this report, the totals given for summed data may not be exactly the same as the sum of the components shown due to rounding effects.

HM Treasury Directions

Throughout this report, in any place where we indicate the potential variability of valuation results - these take into account the HM Treasury Directions for the 2020 valuations.

Sharing

This report has been prepared for the use of the Secretary of State for Health and Social Care and the Department for Health and Social Care. We are content for the Secretary of State for Health and Social Care and the Department for Health and Social Care to release this report to third parties, provided:

- It is released in full
- The advice is not quoted selectively or partially;
- GAD is identified as the source of the report, and;
- GAD is notified of such release.

Other than the Secretary of State for Health and Social Care and the Department for Health and Social Care, no person or third party is entitled to place any reliance on the contents of this report, 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 report.

This report will be published by GAD as part of completing the 2020 valuation of the scheme.

Compliance statement:

This report has been prepared in accordance with the applicable Technical Actuarial Standards: TAS 100 and TAS 300 issued by the Financial Reporting Council (FRC). The FRC sets technical standards for actuarial work in the UK.

Appendix A

Detailed summaries: Data as at 31 March 2020

Scheme data

As at 31 March 2020

Summary statistics

3,234k
Scheme members

+12.5% vs. 2016

23 : 77
male : female
membership

vs. 23 : 77 in 2016

£50.1bn
Total actual pay

+18.3% vs. 2016

£2.3bn
Deferred pension

+32.8% vs. 2016

£9.2bn
Total pension

+25.8% vs. 2016
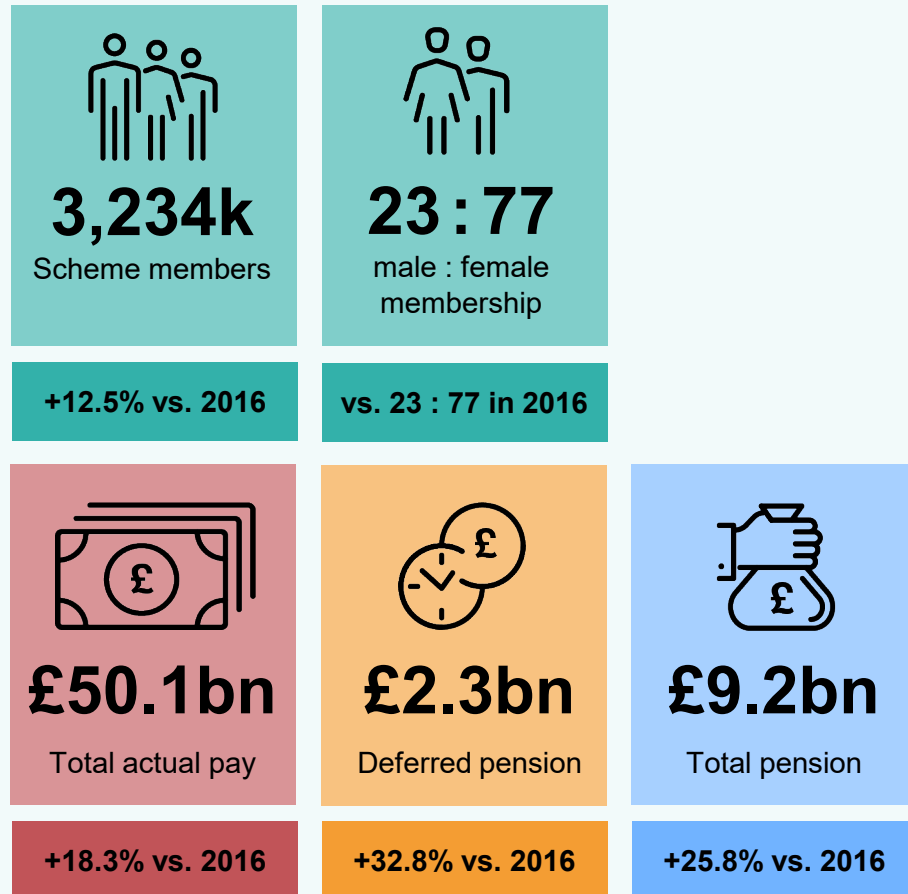
Membership over time (000's)
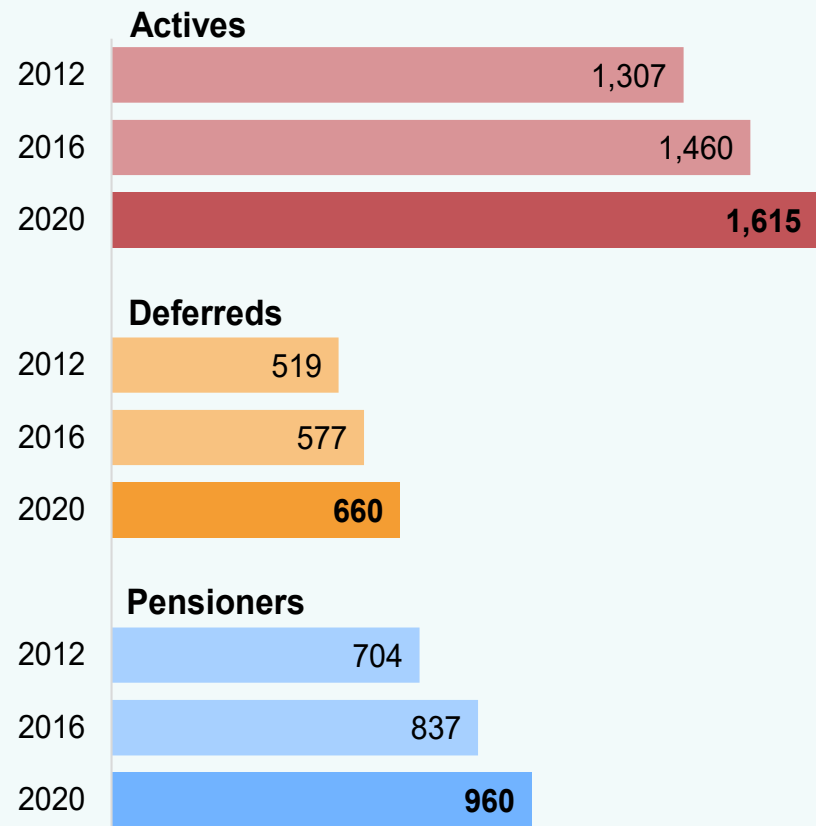
Actives

Year	Value
2012	1,307
2016	1,460
2020	**1,615**

Deferreds

Year	Value
2012	519
2016	577
2020	**660**

Pensioners

Year	Value
2012	704
2016	837
2020	**960**

Pension amount includes the April 2020 pension increase
The figures above do not include the records for pension in payment for partial retirement members

Scheme membership

As at 31 March 2020

The chart shows the distribution of the membership by age and gender. It illustrates the predominance of women in all categories and the significant numbers of active members across the whole of the working age range.

Some active and deferred members have still not claimed their pensions, despite being over normal pension age.

Where can I see more?

Appendix D – Tables of summary statistics

Membership distribution

Males (000's) Females (000's)

Legend: Actives | Deferreds | Pensioners and dependants
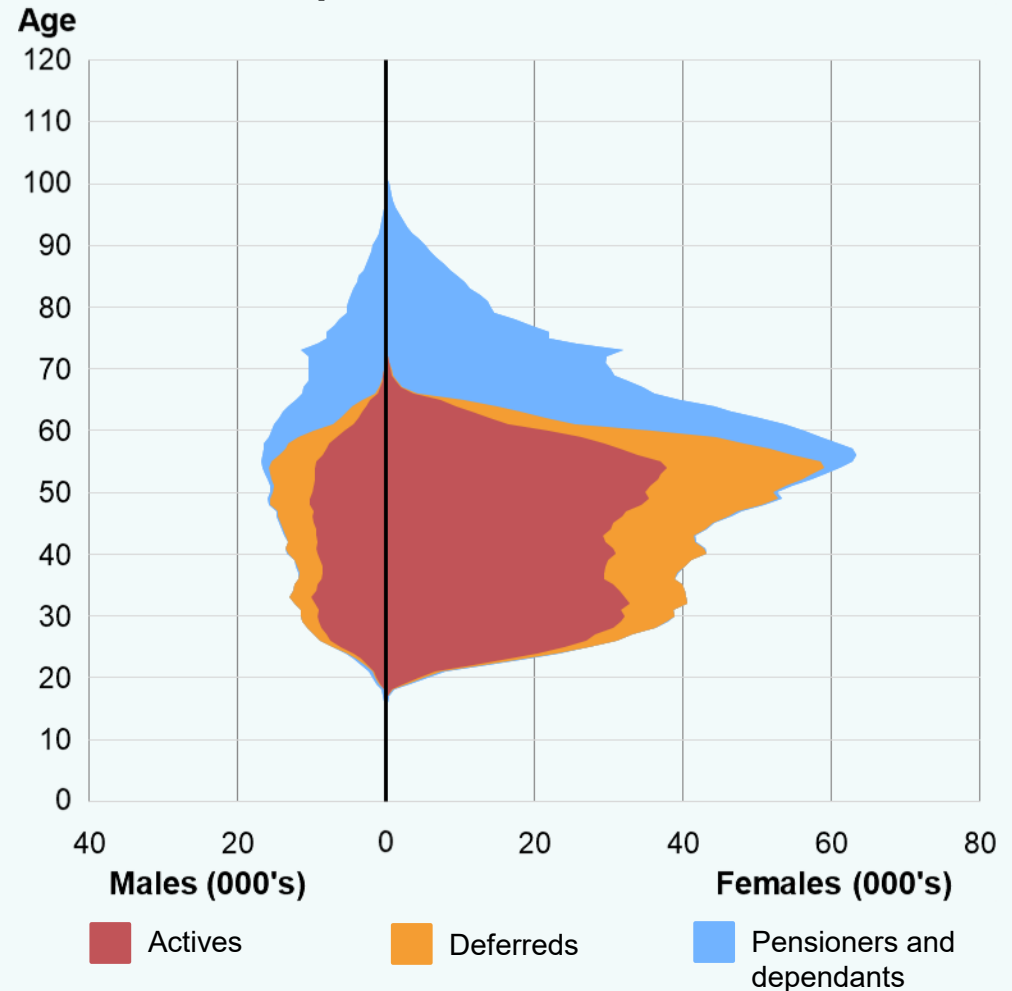
Actives

Actives data
As at 31 March 2020

Summary statistics

1,615k Active members	**22 : 78** male : female membership	**£50.1bn** Total actual pay
+10.6% vs. 2016	**vs. 22 : 78 in 2016**	**+18.3% vs. 2016**
43.9yrs Average age (weighted by actual pay)	**£31,042** Average actual pay	**£2,148*** Average post-reform CARE pension
-0.2 yrs vs. 2016	**+6.9% vs. 2016**	**+347.6% vs. 2016**

Pension amount includes the April 2020 pension revaluation
*Average is only for members who have post reform CARE pension
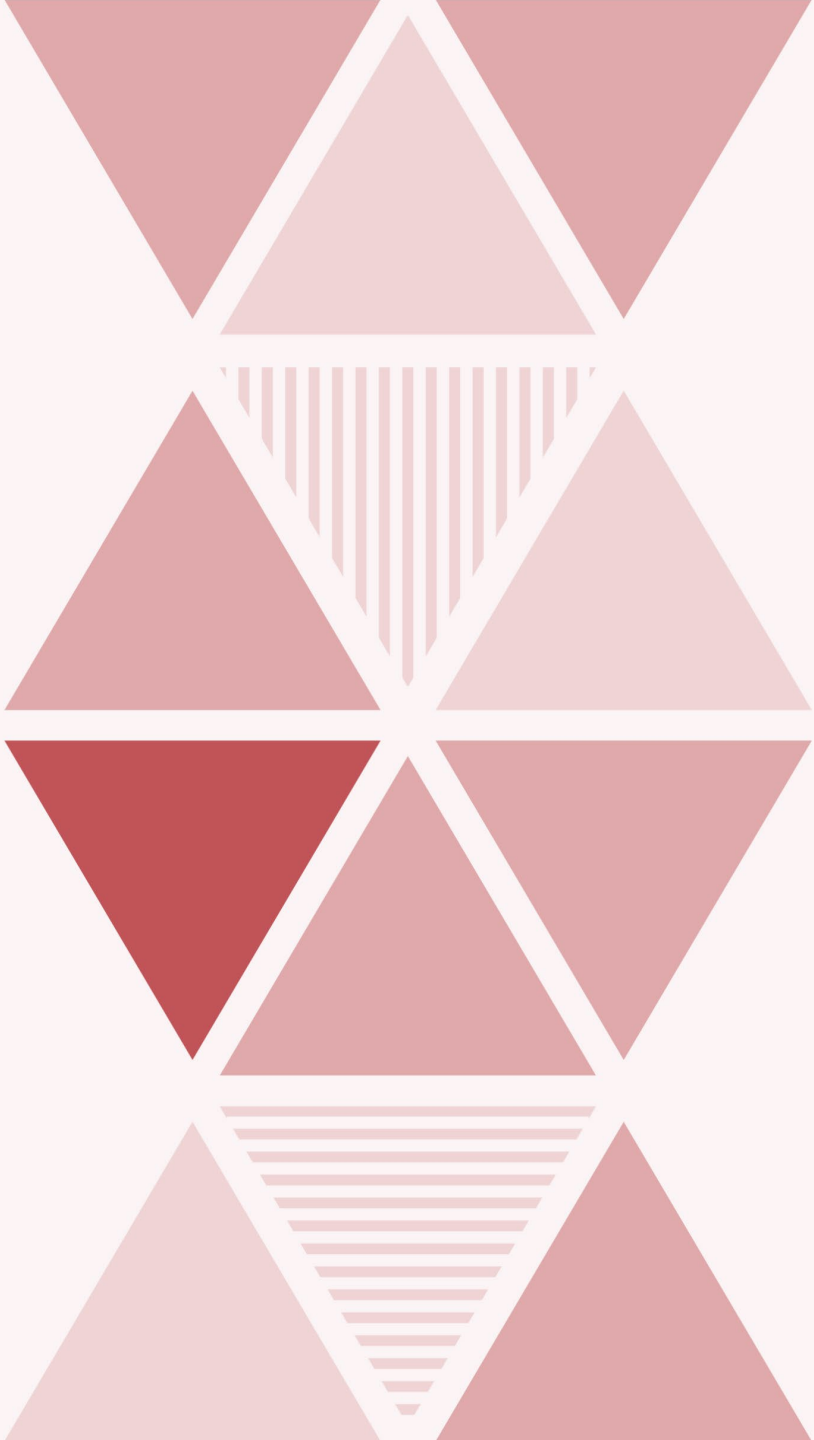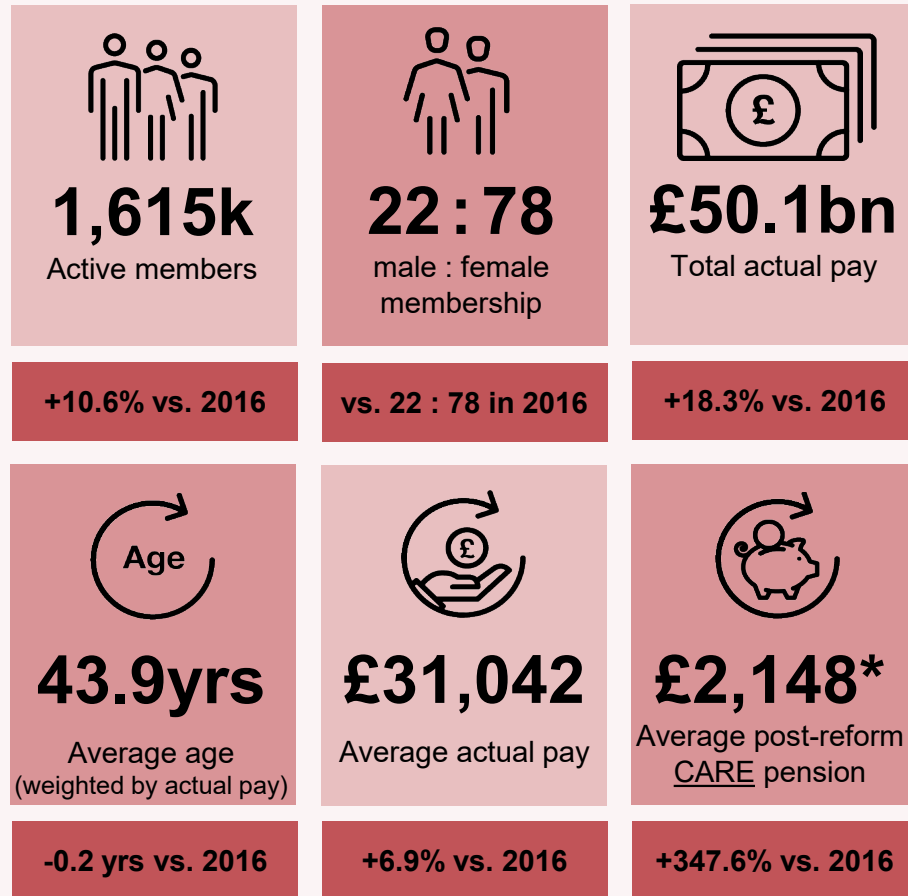
Actual pay distribution

Males (000's)   Females (000's)

Pay band	Males	Females
£0 - £5,000	8	36
£5,000 - £10,000	7	61
£10,000 - £15,000	10	130
£15,000 - £20,000	39	208
£20,000 - £25,000	57	223
£25,000 - £30,000	38	156
£30,000 - £35,000	33	133
£35,000 - £40,000	35	112
£40,000 - £45,000	26	71
£45,000 - £50,000	20	38
£50,000 - £55,000	13	25
£55,000 - £60,000	6	10
£60,000 - £65,000	5	9
£65,000 - £70,000	4	6
£70,000 +	54	41

Male average £41,709   **Female average £28,032**

Active membership

As at 31 March 2020

The chart sets out the active membership distribution across the 1995 Section, 2008 Section and 2015 Scheme.

This shows the increase in the number of active members over the four year inter-valuation period. It is particularly notable for women at ages 25 to 45 and again at age 55 and above.

All members accrue benefits in the 2015 Scheme from 1 April 2022.

Where can I see more?

[Appendix D – Tables of summary statistics](#)

Membership distribution

Legend: 2016 data · 1995 Section · 2008 Section · 2015 Scheme

Deferreds

Deferreds data

As at 31 March 2020

Summary statistics

660k Deferred members	**24 : 76** male : female membership	**£2.3bn** Total deferred pension
+14.3% vs. 2016	vs. 24 : 76 in 2016	+32.8% vs. 2016

Age **49.9yrs** Average age (weighted by pension)	**£3,489** Average pension
+0.7 yrs vs. 2016	+16.2% vs. 2016

Pension amount includes the April 2020 <u>pension increase</u>
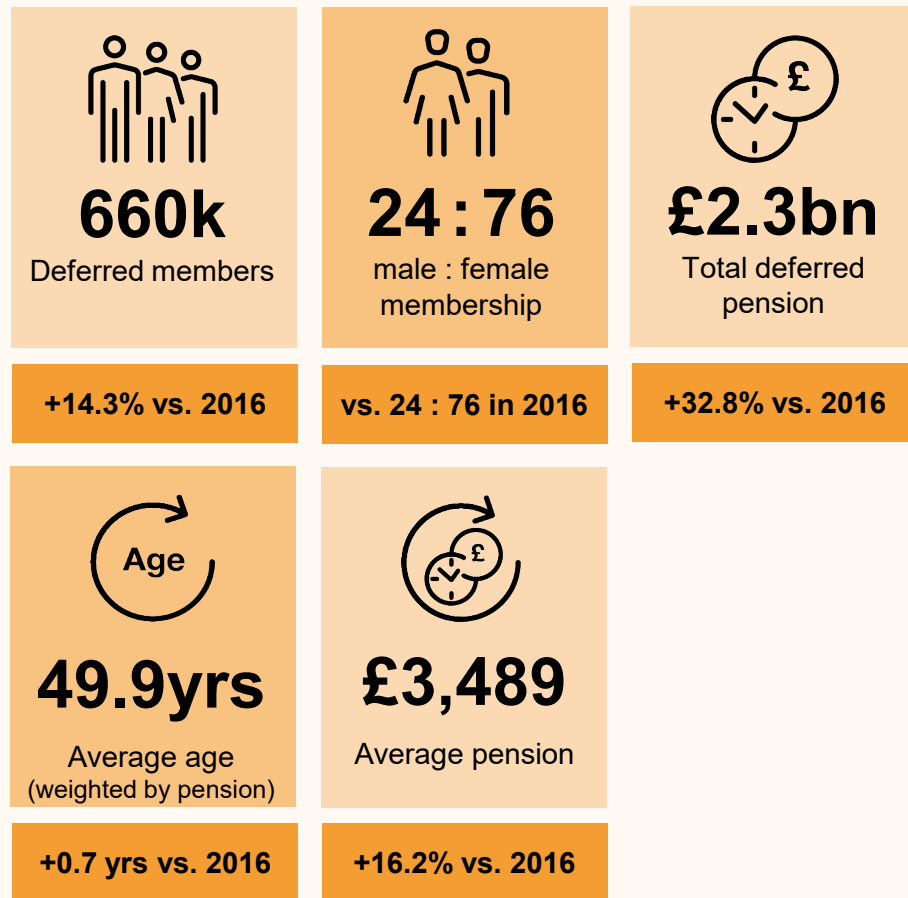
Deferred pension distribution

Males (000's)   **Females (000's)**

Band	Males	Females
£0 - £1,000	39	158
£1,000 - £2,000	38	125
£2,000 - £3,000	22	69
£3,000 - £4,000	14	44
£4,000 - £5,000	9	29
£5,000 - £6,000	6	20
£6,000 - £7,000	5	14
£7,000 - £8,000	4	10
£8,000 - £9,000	3	7
£9,000 - £10,000	2	5
£10,000 +	16	22

Male average £5,035   **Female average £3,005**

Deferred membership

As at 31 March 2020

The chart sets out the deferred membership distribution across the 1995 Section, 2008 Section and 2015 Scheme.

This shows the increase in the number of deferred members over the four year inter-valuation period. The upwards shift illustrates the overall ageing for this group of members.

Where can I see more?

Appendix D – Tables of summary statistics

Membership distribution

Legend:
- 2016 data
- 1995 Section
- 2008 Section
- 2015 Scheme

Pensioners

Pensioner data

As at 31 March 2020

Summary statistics

861k
Pensioners
(retired members)

+14.7% vs. 2016

99k
Dependants

+14.1% vs. 2016

25 : 75
male : female
membership

vs. 26 : 74 in 2016

70.0yrs
Average age
(weighted by pension)

+0.6 yrs vs. 2016

£9.2bn
Total pension

+25.8% vs. 2016

£9,606
Average pension

+9.7% vs. 2016
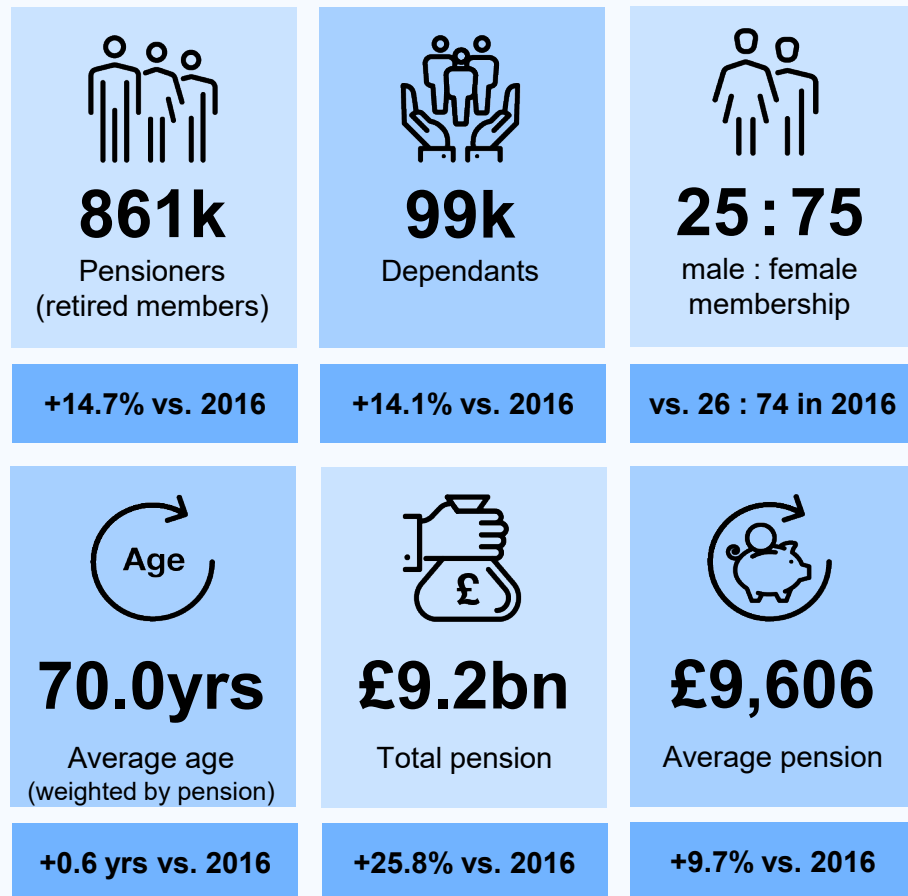
Pensioner data pension distribution
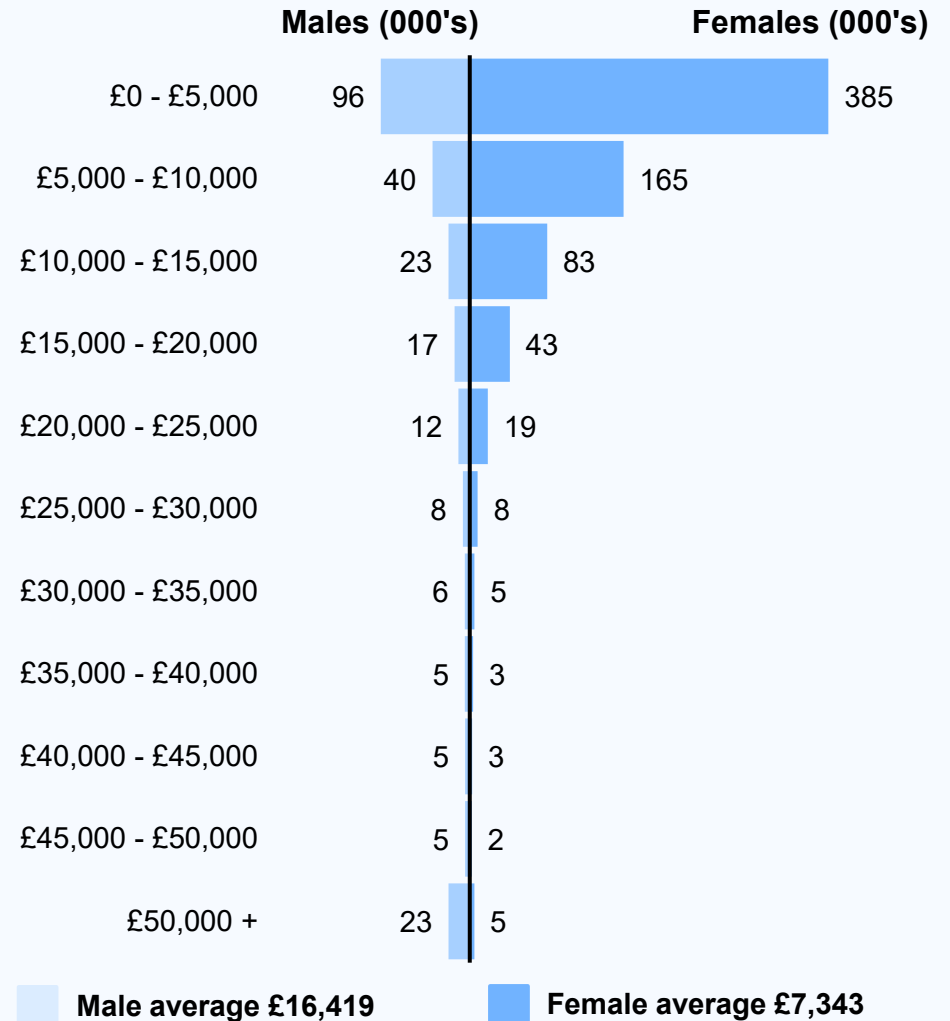
	Males (000's)	Females (000's)
£0 - £5,000	96	385
£5,000 - £10,000	40	165
£10,000 - £15,000	23	83
£15,000 - £20,000	17	43
£20,000 - £25,000	12	19
£25,000 - £30,000	8	8
£30,000 - £35,000	6	5
£35,000 - £40,000	5	3
£40,000 - £45,000	5	3
£45,000 - £50,000	5	2
£50,000 +	23	5

Male average £16,419   Female average £7,343

Pension amount includes the April 2020 pension increase
The figures above do not include the pension in payment for partial retirement members
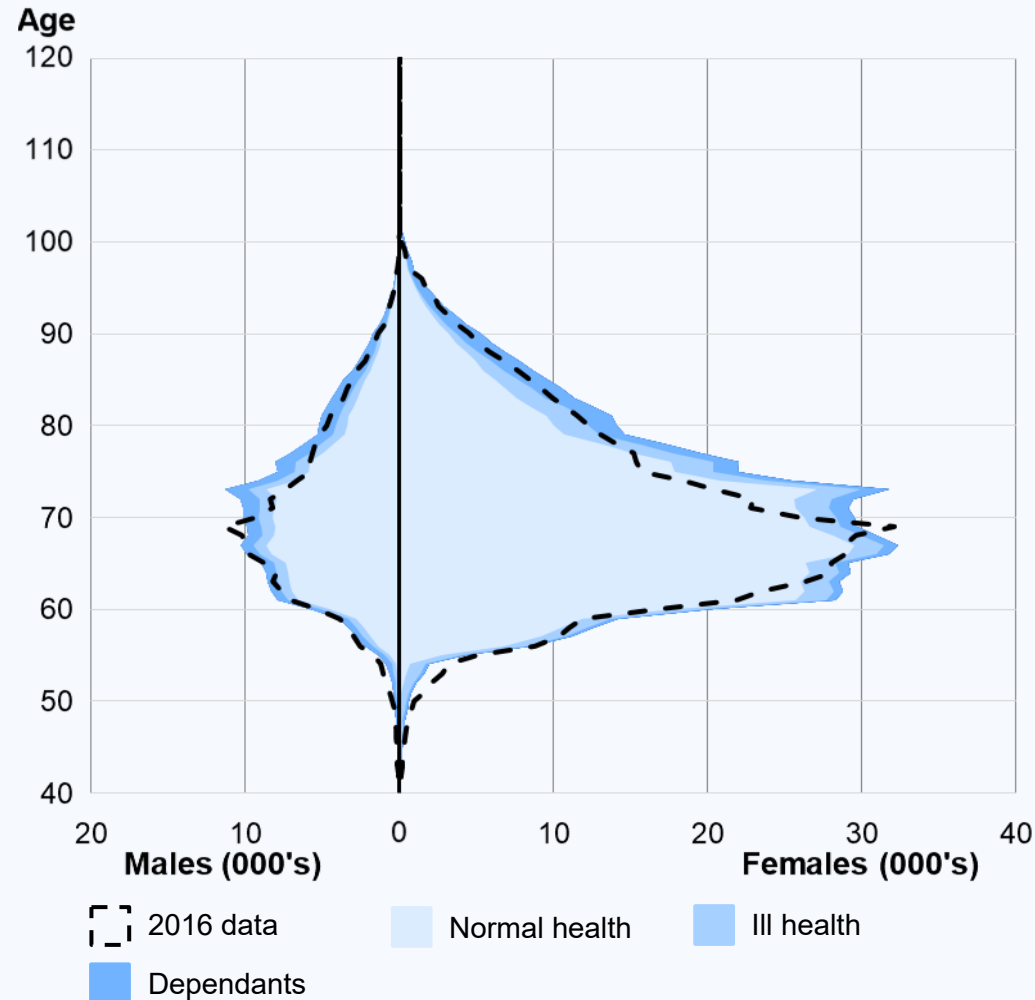
Pensioner membership

As at 31 March 2020

The chart sets out the pensioner membership distribution across the normal health retirements, ill health retirements and dependants.

This chart shows the significant increase in the number of pensioners over the four year inter-valuation period. It is particularly notable for women over age 60.

Where can I see more?

Appendix D – Tables of summary statistics

Membership distribution*

Age

20 10 0 10 20 30 40
Males (000's) **Females (000's)**

[ ] 2016 data   Normal health   Ill health

Dependants

*This chart does not show members aged below 40 years

Appendix B

Detailed summaries: Movements data

Membership movements 1
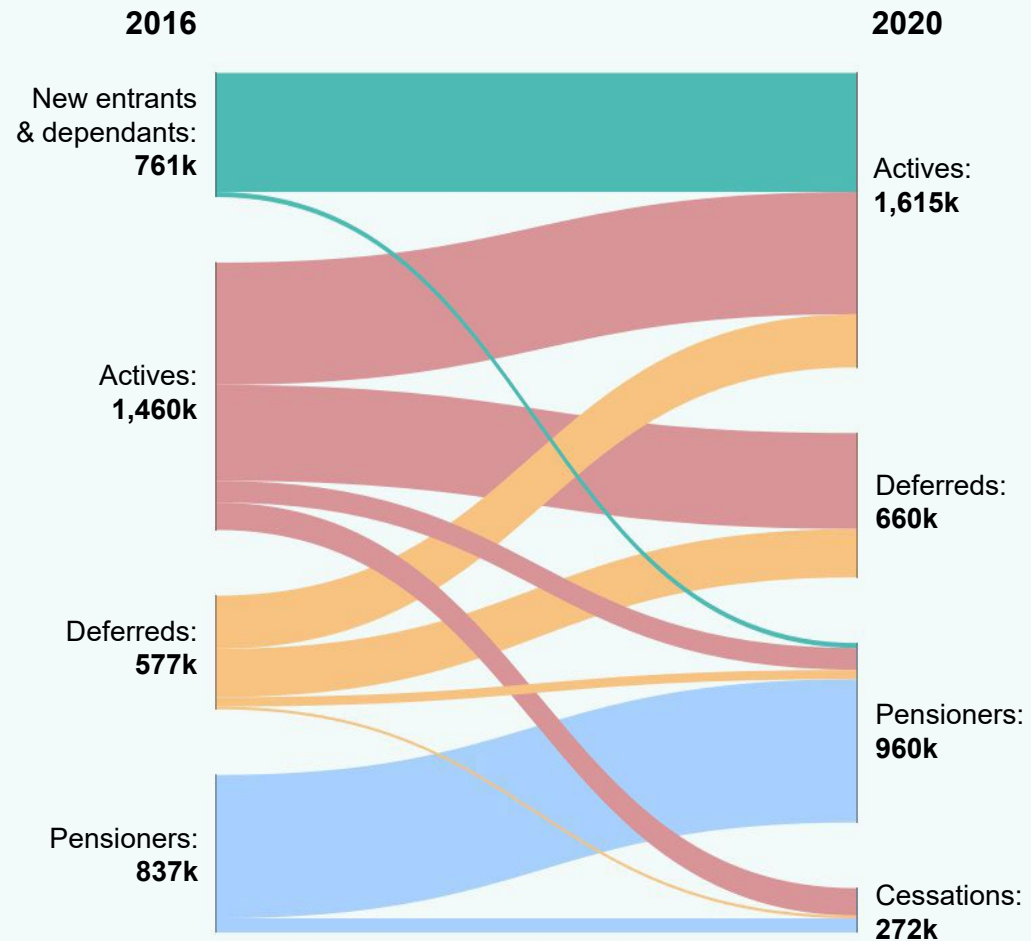
31 March 2016 to 31 March 2020

Actives

The significant turnover of members is evident from the chart, with almost 50% of the membership joining (or rejoining) since 2016.

Deferreds

As for actives there has been a significant change in the deferred population since 2016.

Pensioners

Overall the number of pensioners has grown due to the number of retirements exceeding cessation due to death or otherwise.

2016

2020

New entrants & dependants: **761k**

Actives: **1,615k**

Actives: **1,460k**

Deferreds: **660k**

Deferreds: **577k**

Pensioners: **960k**

Pensioners: **837k**

Cessations: **272k**

Membership movements 2

31 March 2016 to 31 March 2020

This table shows how the number of members in each category has changed over the period 31 March 2016 (top row) to 31 March 2020 (bottom row).

The intermediate rows summarise the membership movements provided over the period, as illustrated in the previous slide.

Reconciliation

The expected number of members in each category at 31 March 2020 is set out in the second last row of the table. This reflects the starting position at 31 March 2016 and the movements data provided.

There are a number of minor differentials between this expected position and the actual position at 31 March 2020.

- Actives: **-24k** members
- Deferreds: **-37k** members
- Pensioners: **-6k** members.

We exclude around 35,000 deferred records in respect of members aged over <u>normal pension age</u> + 5 years, on the assumption that such members are not expected to claim their benefits and therefore does not necessarily represent an issue with the data. We do not <u>rate up</u> for these members, which explains some of the difference between the expected and actual number of deferreds.

These differences are within our tolerance levels for a scheme of this size, so no further action needs to be taken.

	Actives (000's)	Deferreds (000's)	Pensioners (000's)
Number at start of period:	**1,460**	**577**	**837**
New members:			
New entrants	730	-	-
New dependants	-	-	31
Movements between categories:			
Leavers from active service	-588	520	-
Re-joiners and re-employed	338	-327	-
Age related retirements	-126	-57	177
Ill-health retirements	-8	-	8
Cessations with no ongoing liability:			
Member deaths (with dependant)	-2	-2	-22
Member deaths (no dependant)	-1	-1	-45
Dependant deaths	-	-	-15
Other exits	-165	-1	-5
Exclusion adjustment	-	-13	-
Number expected at end of period:	**1,639**	**697**	**966**
Valuation data at end of period:	**1,615**	**660**	**960**
Difference:	-24	-37	-6

The number of pensioners above do not include the pension in payment for partial retirement members.

Appendix C

Checks, adjustments and uncertainties

Checking and adjustment process

1. Data received

Our work starts when schemes provide data. This is collated and processed to remove any unnecessary personal information and to encrypt any personal information that needs to be retained.

All member data provided and discussed in this report was supplied to GAD by the scheme administrator NHSBSA.

2. Aggregate checks and reconciliations

Initial checks carried out on the data are at an overall level, as opposed to an individual record basis.

Any unexpected changes compared to previous datasets are identified.

The data provided is then reconciled against that from a separate source (e.g. scheme resource accounts) to check for any potential issues.

3. 'Record by record' checks and adjustments

If the data passes our initial checks, we then undertake a series of automated, record-by-record checks to remove records that are deemed unreliable. For example, duplicate records, or those with missing key data. Where individual records are excluded, remaining records with similar characteristics are typically rated up to compensate for this, where appropriate.

4. Liability reconciliation

At the final checking stage, we use the adjusted data to calculate <u>actuarial liabilities</u> and reconcile them against those calculated in 2016, adjusted for cashflow information.

5. Final data, ready for use

After completion of checks and adjustments, the dataset is ready for calculating valuation results. We then decide whether, in our opinion, it is fit for the purpose of making decisions based on the valuation results.

If we notice significant issues at any stage of our checking process, we request new or additional data from the scheme administrator in order to correct or allow for them.

'Record by record' checks and adjustments

Process, limitations & uncertainty

We exclude individual records that have missing or unreliable key data and <u>rate up</u> similar remaining records to replace them, where appropriate.

This process assumes that the membership profile of excluded records is consistent with the profile of the similar reliable records. However, to the extent that this is not the case, there is a degree of uncertainty in the valuation results. Further details are set out in the section of this appendix titled 'Residual Data uncertainty'.

Overall, we believe this is a reasonable approach to take given the scarcity of alternative information.

Top 3 reasons for excluding records*

56k	Erroneous data records identified through 'dummy data', eg part-time proportion ** (<u>rate up</u> applied)
39k	Full-time equivalent pay is outside of acceptable range (<u>rate up</u> applied)
38k	Post-2015 pension amount is missing or zero where the protection status is missing or unprotected (<u>rate up</u> applied)

* Some members may fail more than one exclusion check. Only one exclusion will apply in such cases. As a result, the total number of members failing a check can exceed the number of exclusions.

Summary of excluded records

131k	**52k**	**14k**
Actives excluded	Deferreds excluded	Pensioners excluded
8.1%	**7.5%**	**1.5%**
of total records	of total records	of total records
(<1k exclusions are not allowed for in uprating and 8k apply with a 50% <u>rate up</u>)	(40k exclusions are not allowed for in uprating)	(10k exclusions are not allowed for in uprating)
Deterioration vs. the 4.8% 2016 exclusion	Deterioration vs. the 5.7% 2016 exclusion	Deterioration vs. the 0.7% 2016 exclusion

Overall 6.0% of total records were excluded (Deterioration compared with the 3.8% excluded in 2016).

Further information

After finalising our checks and adjustments we will consider potential data improvements. We will engage with scheme managers on any issues we have identified to improve future data submissions, where possible and as appropriate.

** 'Dummy data' refers to a separate data file received from NHSBSA in addition to the main datasets requested by GAD for valuation purposes. This file is not used for valuation calculations but indicates the outcome of internal NHSBSA data assurance checks which are conducted to identify minor administrative issues.

Liability reconciliation

Summarised results

At the final data checking stage we carry out the following reconciliation.

Reconciliation against 2016 valuation results

This step assesses the expected versus calculated value of the scheme's underlined actuarial liability as at 31 March 2020. The expected liability is calculated by adjusting the 2016 liabilities for cashflow information from the scheme's resource accounts, allowing for known pension increases and salary awards since 2016. Differences between expected and calculated liabilities could imply missing or incorrect data.

☑   This check is within our tolerance levels.

Tolerance levels and uncertainty

All reconciliations have a **tolerance level**, within which we accept any differences and move on. Our tolerance levels vary between checks, depending on the level of accuracy we believe appropriate.

If differences fall outside of the acceptable tolerance levels, further investigations are carried out before deciding whether to accept, adjust, or reject the data provided.

Limitations

The results of these checks are heavily dependent on the accuracy and completeness of the information contained in the scheme's published resource accounts as at 31 March 2017, 2018, 2019 and 2020.

If any of this information is materially inaccurate the results of our checks will also be inaccurate. We believe this is a low risk, as the scheme's accounts have been audited.

Other non-standard adjustments

Summary

In addition, we sometimes make adjustments to data provided to correct known data issues.

We only do this when requested, and when it is more efficient for us to make simple changes than to request new data from administrators.

The key adjustments we have made for NHSPS are detailed below.

Actives:

• Member scheme is assigned depending on the valuation group provided (where 2008 valuation group populated, then assigned to 2008 section, then 1995 section, then 2015 scheme).

• Scheme corrections are made so the mental health and special class officers are assigned to the 1995 section.

• Members identified as practitioner or concurrent members are re-assigned to the correct practitioner valuation groups.

Deferreds:

• Member scheme is assigned depending on the valuation group provided (where 2008 valuation group populated, then assigned to 2008 section, then 1995 section, then 2015 scheme).

Pensioners:

• Member scheme is assigned depending on the valuation group provided (where 2008 valuation group populated, then assigned to 2008 section, then 1995 section, then 2015 scheme).

• Date pension commenced is based on earliest populated field (if 1995 populated, then this date is used, followed by 2008 section and 2015 scheme commencement dates where applicable).

• The membership data did not include full details for pensions in payment for partial retirement members. Subsequent information was provided, which was used to make an approximate allowance in the valuation results.

Limitations and uncertainty

The extent to which the true data differs from the adjusted data we use in our calculations creates a degree of **uncertainty** in the valuation results. More details are set out in the section of this appendix titled 'residual data uncertainty'.

Residual data uncertainty

Summary

The previous sections of this appendix have described the checks and adjustments made to the data to ensure it is fit for the purpose of calculating valuation results.

However, there are risks that the adjustments we have made do not truly represent the underlying data of the scheme, or that the data provided did not truly represent the underlying data of the scheme and we have not made the necessary adjustments to ensure that it does.

Potential impact on valuation results

We are comfortable that the checks and adjustments that have been made are reasonable and the data is appropriate for the purpose of the 2020 valuation. In our opinion, the potential impact of data uncertainty on the employer contribution rate and member outcomes (via the cost control mechanism) is:

- Employer contribution rate: The uncertainty will be captured together with other experience and changes through the 2024 (or subsequent) valuations and is expected to have an impact of the order of ±0.25% of pensionable pay.

- Member Outcomes: No impact expected.

After making necessary adjustments detailed in this report, we conclude that the data is appropriate for the purpose of the 2020 NHSPS valuation.

Appendix D

Tables of summary statistics

Summary statistics – introduction

Categorisation

The membership data in this appendix is categorised by section. Where applicable, members are assigned to the legacy section that they have already accrued benefits in, even if they have now started to accrue benefits in the reformed section. This means that:

- Members who have legacy benefits only as at 31 March 2020 will be categorised under their respective legacy section.

- Members who have a combination of legacy and reformed benefits as at 31 March 2020 having transitioned from a legacy to reformed section will be categorised under their respective legacy section.

- Members who have reformed benefits only as at 31 March 2020 will be categorised under the reformed section.

All members accrue benefits in the reformed section from 1 April 2022.

Interpretation

This rest of this appendix summarises the scheme data, after adjustments, into a series of tables. An example is shown below.

The first number in each section of the table, in bold text, shows data as at 31 March 2020. The second number, in standard text, shows the change from data as at 31 March 2016 to data as at 31 March 2020.

Positive changes show increases between 2016 and 2020 and negative changes show decreases.

Example table

Section	Males	Females	Total
Legacy section 1	**100** +10	**100** +10	**200** +20
Legacy section 2	**100** +10	**100** +10	**200** +20
Reformed section	**100** +10	**100** +10	**200** +20
All sections	**300** +30	**300** +30	**600** +60

Summary statistics – actives 1
As at 31 March 2020

Number of members (000's)

Section	Males	Females	Total
1995 Section	**124** -36	**459** -137	**583** -173
2008 Section	**100** -28	**349** -86	**450** -114
2015 Scheme	**131** +97	**451** +344	**582** +441
All sections	**355** +33	**1,259** 121	**1,615** +155

Average age* (years)

Section	Males	Females	Total
1995 Section	**49.8** +1.7	**49.6** +2.0	**49.6** +1.9
2008 Section	**42.3** +2.4	**41.4** +3.1	**41.7** +2.9
2015 Scheme	**37.4** +2.3	**35.9** +2.3	**36.3** +2.2
All sections	**44.8** -0.2	**43.5** -0.1	**43.9** -0.2

* Weighted by actual pay

The first number in each section of the table, in bold text, shows data as at 31 March 2020. The second number, in standard text, shows the change from data as at 31 March 2016 to data as at 31 March 2020.

Positive changes show increases between 2016 and 2020 and negative changes show decreases.

Summary statistics – actives 2
As at 31 March 2020

Total full-time equivalent pay (£m pa)

Section	Males	Females	Total
1995 Section	**7,584** -13.8%	**18,233** -12.7%	**25,817** -13.1%
2008 Section	**4,028** +1.4%	**11,179** -1.5%	**15,207** -0.8%
2015 Scheme	**4,028** +394.4%	**11,786** +411.2%	**15,814** +406.8%
All sections	**15,640** +15.1%	**41,198** +19.2%	**56,838** +18.1%

Total actual pay (£m pa)

Section	Males	Females	Total
1995 Section	**7,378** -13.6%	**15,803** -11.8%	**23,181** -12.4%
2008 Section	**3,828** +3.3%	**9,650** -0.4%	**13,478** +0.6%
2015 Scheme	**3,616** +414.7%	**9,848** +438.5%	**13,464** +431.9%
All sections	**14,822** +14.5%	**35,301** +19.9%	**50,123** +18.3%

Summary statistics – actives 3

As at 31 March 2020

Average full-time equivalent pay (£ pa)

Section	Males	Females	Total
1995 Section	**61,061** +11.2%	**39,736** +13.2%	**44,279** +12.7%
2008 Section	**40,114** +29.6%	**32,002** +22.6%	**33,813** +24.3%
2015 Scheme	**30,808** +26.1%	**26,125** +22.0%	**27,178** +22.8%
All sections	**44,011** +4.3%	**32,715** +7.8%	**35,201** +6.8%

Average actual pay (£ pa)

Section	Males	Females	Total
1995 Section	**59,408** +11.5%	**34,440** +14.5%	**39,758** +13.6%
2008 Section	**38,119** +32.0%	**27,625** +24.0%	**29,968** +26.0%
2015 Scheme	**27,655** +31.3%	**21,829** +28.5%	**23,138** +28.9%
All sections	**41,709** +3.7%	**28,032** +8.4%	**31,042** +6.9%

Summary statistics – actives 4
As at 31 March 2020

Average reckonable service* (years)

Section	Males	Females	Total
1995 Section	16.8 -0.4	14.9 +0.1	15.3 +0.0
2008 Section	4.1 +0.2	3.5 +0.2	3.7 +0.2
2015 Scheme	- -	- -	- -
All sections	10.9 -0.1	9.9 0.1	10.1 +0.0

* Unweighted (shown for legacy sections only)

Total post-reform CARE pension# (£ m)

Section	Males	Females	Total
1995 Section	489 +435.7%	987 +446.1%	1,475 +442.6%
2008 Section	305 +388.7%	802 +378.2%	1,107 +381.0%
2015 Scheme	148 >+1,000%	406 >+1,000%	554 >+1,000%
All sections	941 +486.4%	2,194 +499.7%	3,136 +495.7%

Pension amount includes the April 2020 pension revaluation.
These figures do not include CARE pension accrued by Practitioners in the legacy sections, which amounts to around £700m pa pension.

Summary statistics – deferreds 1
As at 31 March 2020

Number of members (000's)

Section	Males	Females	Total
1995 Section	**101** -6	**334** -25	**435** -31
2008 Section	**38** +12	**114** +40	**152** +52
2015 Scheme	**18** +15	**54** +46	**72** +61
All sections	**157** 21	**503** 62	**660** 83

Average age* (years)

Section	Males	Females	Total
1995 Section	**52.6** +1.7	**51.3** +1.7	**51.7** +1.8
2008 Section	**44.6** +0.6	**43.1** +1.6	**43.5** +1.2
2015 Scheme	**37.7** +2.6	**35.9** +2.1	**36.4** +2.2
All sections	**51.1** +0.9	**49.3** +0.5	**49.9** +0.7

* Weighted by pension

The first number in each section of the table, in bold text, shows data as at 31 March 2020. The second number, in standard text, shows the change from data as at 31 March 2016 to data as at 31 March 2020.

Positive changes show increases between 2016 and 2020 and negative changes show decreases.

Summary statistics – deferreds 2
As at 31 March 2020

Total deferred pension* (£m pa)

Section	Males	Females	Total
1995 Section	655 +31.0%	1,184 +11.2%	1,839 +17.5%
2008 Section	120 +114.7%	287 +156.8%	407 +142.7%
2015 Scheme	17 >+1,000%	40 >+1,000%	56 >+1,000%
All sections	792 +42.3%	1,510 +28.3%	2,302 +32.8%

Average deferred pension (£ pa)

Section	Males	Females	Total
1995 Section	6,478 +38.8%	3,545 +19.4%	4,227 +25.8%
2008 Section	3,138 +45.9%	2,509 +66.6%	2,666 +59.4%
2015 Scheme	936 +640.6%	730 +611.7%	781 +618.3%
All sections	5,035 +23.1%	3,005 +12.6%	3,489 +16.2%

* Pension amounts includes the April 2020 <u>pension increase</u>

Summary statistics – pensioners 1
As at 31 March 2020

Number of members (000's)

Type	Males	Females	Total
Normal health	**174** +19	**587** +102	**762** +122
Ill health	**25** -4	**74** -7	**99** -11
Dependants	**40** +9	**59** +3	**99** +12
All sections	**239** +24	**721** +98	**960** +123

The figures above do not include the records for pension in payment for partial retirement members

Average age* (years)

Type	Males	Females	Total
Normal health	**71.0** +0.7	**68.8** +0.3	**69.8** +0.4
Ill health	**70.7** +1.8	**69.7** +1.6	**70.1** +1.7
Dependants	**62.2** +3.8	**75.9** +0.5	**73.2** +0.5
All sections	**70.7** +0.8	**69.5** +0.4	**70.0** +0.6

* Weighted by pension

The first number in each section of the table, in bold text, shows data as at 31 March 2020. The second number, in standard text, shows the change from data as at 31 March 2016 to data as at 31 March 2020.

Positive changes show increases between 2016 and 2020 and negative changes show decreases.

Summary statistics – pensioners 2
As at 31 March 2020

Total pension# (£m pa)

Type	Males	Females	Total
Normal health	3,465 +20.5%	4,305 +37.7%	7,771 +29.5%
Ill health	355 -3.8%	531 +2.4%	886 -0.2%
Dependants	109 +58.4%	455 +21.8%	564 +27.5%
All sections	3,929 +18.6%	5,292 +31.7%	9,220 +25.8%

Pension amount includes the April 2020 <u>pension increase.</u>
The figures above do not include the records for pension in payment for partial retirement members.

Average pension (£ pa)

Type	Males	Females	Total
Normal health	19,873 +7.1%	7,332 +13.8%	10,204 +8.8%
Ill health	14,129 +13.1%	7,154 +11.8%	8,917 +11.1%
Dependants	2,731 +21.6%	7,686 +15.7%	5,695 +11.8%
All sections	16,419 +6.6%	7,343 +13.7%	9,606 +9.7%

* Weighted by pension

Appendix E

Glossary

Glossary 1

Actuarial liability	The monetary amount assessed, in today's terms, as being required to meet all future payments due in respect of current benefit entitlements. It is dependent on assumptions about future financial conditions and membership changes.
CARE	CARE stands for Career Average Revalued Earnings and refers to a methodology whereby earnings over a member's working lifetime in the scheme are used in the calculation of their benefits in the <u>reformed scheme</u> (referred to as the 2015 scheme in this report).
Cost cap cost	The measure against which the cost of benefits being provided from the 2015 scheme is assessed at each valuation. The NHSPS employer cost cap is 11.6% of pay. If the results of the valuation show that the cost of benefits is more than 3% of pensionable pay away from the employer cost cap, even once the impact of the economic check is taken into account, changes must be made to the 2015 scheme (e.g. to the benefits provided) to bring the cost of benefits back to the employer cost cap.
Directions	A document published by HM Treasury and referred to in The Public Service Pensions Act 2013, which sets out the process and requirements for carrying out valuations, including the results which need to be disclosed. Directions were first published in 2014 and have been updated several times since then.
Employer contribution rates	The percentage of scheme members' salaries which employers are required to pay in order to: • meet the costs of benefits currently being built up by active members • make good any shortfall in the notional amounts set aside to cover benefits already built up. The result is heavily dependent on assumptions about future financial conditions and membership changes.
McCloud	McCloud refers to a legal judgment made in December 2018. The England and Wales Court of Appeal judgment upheld claims of age discrimination brought by some firefighters and members of the judiciary against 'transitional protection' rules. These rules determined the date on which some members would move between <u>reformed and legacy sections</u> of the scheme.

Glossary 2

Normal pension age	The age at which a member in normal health is entitled to unreduced benefits. This age varies in different scheme sections: • Age 60 for (most) legacy scheme benefits (1995 section) • Age 65 for legacy scheme benefits (2008 section) • State Pension Age (SPA) (ie currently ages 65 to 68 depending on date of birth) for the reformed scheme benefits (2015 scheme).
Pension increase	Public service pensions are increased under the provisions of the Pensions (Increase) Act 1971 and Section 59 of the Social Security Pensions Act 1975.
Pension revaluation	The rate at which the CARE pension is revalued each year a member is an active member.
Professional actuarial requirements	The professional requirements that we have complied with when completing this actuarial valuation include: 1. Technical Actuarial Standards: TAS 100 and TAS 300, issued by the Financial Reporting Council (FRC) 2. The Actuaries' Code, issued by the Institute and Faculty of Actuaries (IFoA) 3. The Civil Service Code. GAD is also accredited under the IFoA's Quality Assurance Scheme. More details can be found in our terms of reference.

Glossary 3

Rate up	A term used to refer to any multiplicative adjustments made to data in order to correct for known issues. For example, if it appears that a group of members have been omitted from the data we've received and salaries are understated by 2% as a result, we might apply a 'rate up' of 2% to the data we have as a correction. Although the term 'rate up' implies an increase, we might also 'rate down' if appropriate to do so.
Reformed and legacy sections	The reformed section of the scheme is the section that was set up in line with The Public Service Pensions Act 2013, and which came into force on 1 April 2015 (known as the 2015 scheme). All non-reformed sections are known as legacy sections. This terminology is used in the McCloud judgment.
Section	The membership data in Appendix D is categorised by section. Members who have legacy and reformed benefits, or legacy only benefits, will be categorised under the legacy section. Members who have reformed benefits only will be categorised under the reformed section.