

POLICE

Express Pension Valuation

CASE STUDY

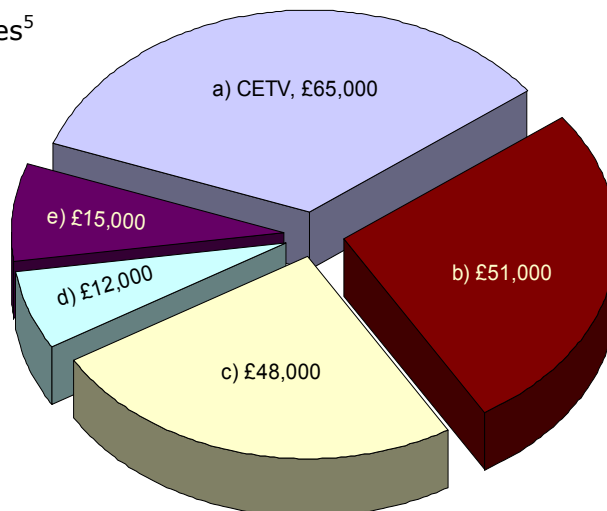
Our client is the wife of a policeman

Rank:	Constable
Born:	1970
Scheme:	Police Pension Scheme 1987
Started service:	1995
Assumed date of leaving service: ¹	After 25 years service
Valuation date: ²	April 2006
Current pensionable pay:	£30,844

Police Express Pension Valuation:	£191,000
Cash Equivalent Transfer Value: ³	£65,000
Difference	£126,000

Reconciliation of differences

a. CETV ⁴	£65,000
b. Allowing for pay increases up to retirement increasing final pensionable pay, as opposed to statutory increases in CETV	£51,000
c. EPV assuming pension payable from 50, not from 60	£48,000
d. EPV using latest mortality assumptions	£12,000
e. Other differences ⁵	£15,000



¹ Anticipated date of leaving scheme as stated by client, in this case after 25 years service

² Date used to calculate the value, normally the expected date of the divorce, or if making a like-for-like check against the CETV, the date of the CETV

³ Quoted by the Police Pension Scheme

⁴ Quoted by PPS, assumes member leaves service on valuation date

⁵ Includes pensionable salary used, EPV simplifications, scheme valuation of commutation and various actuarial assumptions