

**AFPS 75**

**REDUCTION FACTORS FOR CONTRACTS STARTING ON OR AFTER 6 APRIL 2006**

The Added Years (AY) factors are priced assuming that retirement will occur at age 55. Therefore, the AY purchased will need to be adjusted for those who retire before age 55 with an Immediate Pension (IP). In a similar way to those leaving with a deferred pension the AY are first reduced proportionately to allow for the shorter period of payments. The AY are then reduced again to allow for the cost of a pension being paid earlier than priced in the contract. The same factors are used with Deferred Pension Age (DPA) of 60 and 65.

Age last birthday before retirement	All Officers	Other Ranks
37	0.89	-
38	0.89	-
39	0.89	-
40	0.89	0.85
41	0.89	0.85
42	0.89	0.86
43	0.89	0.86
44	0.89	0.86
45	0.89	0.87
46	0.90	0.87
47	0.91	0.88
48	0.92	0.89
49	0.93	0.90
50	0.94	0.91
51	0.95	0.92
52	0.96	0.94
53	0.97	0.96
54	0.98	0.98

1. These tables do not apply to death in service or invaliding.
2. Officers include medical and dental officers.