


IT 2026 - Superannuation: pension fund ready reckoner : early termination benefits

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TAXATION RULING NO. IT 2026

SUPERANNUATION: PENSION FUND READY RECKONER
: EARLY TERMINATION BENEFITS

F.O.I. EMBARGO: May be released

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F.O.I. INDEX DETAIL

REFERENCE NO: SUBJECT REFS: LEGISLAT. REFS:

I 1104423	SUPERANNUATION	23F
	DEDUCTIONS FOR	82AAA-AAR
	CONTRIBUTIONS TO	
	EXEMPT 23F FUNDS	
	CONTRIBUTIONS TO	
	EXEMPT 23F FUNDS,	
	DEDUCTIONS FOR	
	EARLY TERMINATION	
	BENEFITS	

OTHER RULINGS ON TOPIC
IT 294

RULING

Attached is a ready reckoner which has been prepared for use in the calculation of contributions to section 23F superannuation pension funds which may be allowed as income tax deductions. The ready reckoner has been produced as an aid to funds for which, because they do not have the same incidence of retirement, withdrawal or mortality factors which exist in the larger employer/arm's length employee funds, it is a practicable proposition to calculate contributions on an individual basis.

2. Consistent with the lump sum ready reckoner, salaries are projected at 8% per annum compound and interest rates vary from 9% to 15%. Rates of contribution are specified until ten years from retirement. As a general rule, where an employee is admitted to a fund within ten years of normal retirement age, the allowable contribution will be determined in the circumstances of each case.

3. The ready reckoner is based on the assumption that the post-retirement earning rate of the pension fund will be the same as the pre-retirement earning rate. Where a fund is providing for post-retirement cost of living adjustments it will be acceptable, where all the assets of the fund are invested in appropriate arm's length securities and the 30/20 ratio is satisfied, for the post-retirement earning rate to be reduced by a maximum of 5% to reflect the provision of post-retirement cost of living adjustments. Income tax deductions will not be allowed for contributions to a fund to provide post-retirement cost of living adjustments where there is an amount lent back to the employer and the amount lent back exceeds 10% of the assets

of the fund at any time during the year of income.

4. There are some superannuation funds in existence which provide for the payment of a flat pension, i.e. without cost of living or other indexation adjustments, by means of an annuity purchased from an insurance company. In calculating the amount necessary to purchase the required annuity a post-retirement earning rate is taken into account which is considerably less than the long term earning rate of 9% per annum specified in the guidelines already issued. Income tax deductions for contributions to funds of this type will be restricted to the amount ascertained by applying the calculations in the attached ready reckoner.

5. The calculations in the ready reckoner are based on the 1975-77 Australian Life Tables which indicate a life expectancy for a male aged 65 of 13.13 years and for a female aged 60 of 21.04 years. The Ready Reckoner provides for reversionary pensions equal to two-thirds of the member's pension. For this purpose it has been assumed that males are three years older than their spouses and that a reversionary pension will be payable to a male for 4.72 years and to a female for 10.29 years.

6. Formulae to enable the calculation of either lump sum or pension fund contributions are attached. Also attached is a schedule of reduction factors to be applied where a member has previously received a benefit from another section 23F fund.

Early Termination Benefits

7. Where a member of a superannuation fund withdraws from the fund as a result of the termination of his employment prior to normal retirement age, it is necessary to ensure that the benefits payable from the fund to the member on the early termination of his or her employment are not excessive.

8. It will be readily appreciated that it is not wholly practicable to make a general rule in this area which will apply to all funds. The reason for this is, of course, that many funds do not provide the maximum retirement benefits permitted by the Commissioner and, furthermore, experience indicates that funds make differing reductions according to the length of service at date of termination. It is necessary, therefore, to have regard to the rules applying to the particular fund.

9. As a general proposition, however, where a fund provides the maximum benefit permitted by the Commissioner and the member's employment terminates within 10 years of the normal retirement date, i.e. 65 years for males and 60 years for females, the benefit which may be paid from the fund should not exceed the amount which represents the reasonable benefit based on final average salary at the date of termination reduced by 2.5% for each year by which actual retirement date precedes the normal retirement date. In practice this will apply in respect of all terminations of employment on and after 55 years of age for males and 50 years of age for females and whether the superannuation fund be a lump sum or pension fund. Should a

member of a pension fund elect to take his benefit in the form of a lump sum the normal requirements for commutation in excess of 25% of entitlement will apply. It is stressed that advance funding for early termination benefits will not be permissible.

10. In the event of termination of employment prior to the age of 55 years in the case of males and 50 years of age in the case of females, the amount paid from the fund should not exceed the amount which should have been in the fund at that date assuming contributions had been made on an acceptable basis. The formulae to calculate the amount both for lump sum and pension funds are reflected in the attached schedule.

11. In calculating early termination benefits for associated employees it will be permissible to take into account prospective service to normal retirement to determine whether a proportionate reduction for service less than 20 years should be made.

COMMISSIONER OF TAXATION
22 MARCH 1983

APPENDIX

TABLE OF CONTRIBUTIONS TO SECTION 23F PENSION FUND :
NOT PROVIDING REVERSIONARY PENSION TO SURVIVING SPOUSE

INTEREST RATE = 9%
SALARY GROWTH RATE = 8%

YRS. TO REDUCTION RETIREMENT \$100	NO POST RETIREMENT INCREASES		5% POST RETIREMENT INCREASES		PER \$
	MALES	FEMALES	MALES	FEMALES	
	% CONT.	% CONT.	% CONT.	% CONT.	
ASSETS					
50	8.19220	10.11989	10.95084	15.28715	
2.30058					
49	8.40094	10.37774	11.22986	15.67666	
2.33756					
48	8.61852	10.64652	11.52071	16.08268	
2.37610					
47	8.84551	10.92692	11.82414	16.50626	
2.41631					
46	9.08253	11.21971	12.14097	16.94855	
2.45829					
45	9.33024	11.52572	12.47210	17.41080	
2.50217					
44	9.58938	11.84583	12.81850	17.89437	
2.54807					
43	9.86074	12.18105	13.18124	18.40074	
2.59614					
42	10.14520	12.53244	13.56148	18.93155	
2.64652					
41	10.44370	12.90118	13.96051	19.48859	
2.69940					

40	10.75732	13.28859	14.37973	20.07381
2.75495				
39	11.08720	13.69610	14.82069	20.68939
2.81338				
38	11.43464	14.12529	15.28513	21.33773
2.87493				
37	11.80105	14.57793	15.77493	22.02148
2.93983				
36	12.18803	15.05596	16.29221	22.74359
3.00838				
35	12.59732	15.56156	16.83933	23.50736
3.08088				
34	13.03090	16.09717	17.41891	24.31646
3.15768				
33	13.49099	16.66551	18.03393	25.17500
3.23917				
32	13.98005	17.26966	18.68768	26.08763
3.32580				
31	14.50091	17.91308	19.38393	27.05957
3.41807				
30	15.05673	18.59969	20.12691	28.09677
3.51652				
29	15.65114	19.33396	20.92148	29.20597
3.62181				
28	16.28826	20.12101	21.77315	30.39488
3.73467				
27	16.97285	20.96669	22.68827	31.67237
3.85593				
26	17.71038	21.87777	23.67416	33.04865
3.98657				
25	18.50721	22.86209	24.73931	34.53558
4.12772				
24	19.37075	23.92883	25.89363	36.14699
4.28068				
23	20.30969	25.08871	27.14876	37.89912
4.44700				
22	21.33433	26.35445	28.51843	39.81115
4.62849				
21	22.45690	27.74118	30.01901	41.90594
4.82734				
20	23.69210	29.26702	31.67015	44.21089
5.04613				
19	25.05770	30.95396	33.49560	46.75918
5.28803				
18	26.57544	32.82884	35.52443	49.59139
5.55687				
17	28.27218	34.92483	37.79252	52.75759
5.85742				
16	30.18146	37.28338	40.34473	56.32043
6.19562				
15	32.34581	39.95701	43.23790	60.35924
6.57900				
14	34.81987	43.01324	46.54508	64.97599
7.01723				
13	37.67513	46.54036	50.36181	70.30407
7.52300				
12	41.00687	50.65609	54.81548	76.52130

8.11316				
11	44.94506	55.52095	60.07980	83.87019
8.81074				
10	49.67161	61.35970	66.39797	92.69023
9.64798				

(Amended 28/3/83)

TABLE OF CONTRIBUTIONS TO SECTION 23F PENSION FUND :
PROVIDING 2/3RDS REVERSIONARY PENSION TO SURVIVING SPOUSE

INTEREST RATE = 9%
SALARY GROWTH RATE = 8%

YRS. TO REDUCTION RETIREMENT \$100	NO		5%		\$ PER
	POST RETIREMENT		POST RETIREMENT		
	INCREASES		INCREASES		
ASSETS	MALES	FEMALES	MALES	FEMALES	
	% CONT.	% CONT.	% CONT.	% CONT.	
50	9.72121	10.55941	14.55000	16.63025	
2.30058					
49	9.96890	10.82845	14.92073	17.05398	
2.33756					
48	10.22709	11.10891	15.30717	17.49567	
2.37610					
47	10.49644	11.40149	15.71033	17.95647	
2.41631					
46	10.77770	11.70700	16.13129	18.43762	
2.45829					
45	11.07165	12.02629	16.57125	18.94048	
2.50217					
44	11.37915	12.36031	17.03150	19.46654	
2.54807					
43	11.70116	12.71008	17.51346	20.01740	
2.59614					
42	12.03871	13.07673	18.01867	20.59485	
2.64652					
41	12.39293	13.46150	18.54884	21.20082	
2.69940					
40	12.76507	13.86573	19.10585	21.83746	
2.75495					
39	13.15653	14.29094	19.69175	22.50712	
2.81338					
38	13.56881	14.73877	20.30882	23.21242	
2.87493					
37	14.00361	15.21106	20.95960	23.95625	
2.93983					
36	14.46281	15.70985	21.64690	24.74181	
3.00838					
35	14.94849	16.23741	22.37383	25.57268	
3.08088					
34	15.46300	16.79629	23.14391	26.45286	
3.15768					

33	16.00896	17.38931	23.96106	27.38683
3.23917				
32	16.58930	18.01970	24.82968	28.37964
3.32580				
31	17.20737	18.69106	25.75476	29.43698
3.41807				
30	17.86693	19.40749	26.74194	30.56530
3.51652				
29	18.57228	20.17365	27.79765	31.77195
3.62181				
28	19.32832	20.99488	28.92924	33.06532
3.73467				
27	20.14068	21.87729	30.14512	34.45505
3.85593				
26	21.01587	22.82794	31.45504	35.95224
3.98657				
25	21.96142	23.85502	32.87027	37.56981
4.12772				
24	22.98612	24.96808	34.40398	39.32280
4.28068				
23	24.10031	26.17834	36.07162	41.22887
4.44700				
22	25.31619	27.49906	37.89146	43.30889
4.62849				
21	26.64828	28.94600	39.88523	45.58772
4.82734				
20	28.11401	30.53812	42.07903	48.09518
5.04613				
19	29.73449	32.29832	44.50445	50.86736
5.28803				
18	31.53551	34.25463	47.20008	53.94840
5.55687				
17	33.54892	36.44165	50.21362	57.39278
5.85742				
16	35.81456	38.90263	53.60466	61.26865
6.19562				
15	38.38286	41.69239	57.44871	65.66229
6.57900				
14	41.31869	44.88135	61.84284	70.68466
7.01723				
13	44.70685	48.56165	66.91400	76.48086
7.52300				
12	48.66043	52.85613	72.83144	83.24433
8.11316				
11	53.33364	57.93228	79.82596	91.23887
8.81074				
10	58.94237	64.02462	88.22070	100.83383
9.64798				

TABLE OF CONTRIBUTIONS TO SECTION 23F PENSION FUND

INTEREST RATE = 10%
SALARY GROWTH RATE = 8%

YRS. TO RETIREMENT	NO POST RETIREMENT INCREASES	\$ REDUCTION PER \$100
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	MALES % CONT.	FEMALES % CONT.	ASSETS % CONT.
50	5.99761	7.27023	2.80365
49	6.18489	7.49724	2.83863
48	6.38050	7.73436	2.87516
47	6.58497	7.98222	2.91335
46	6.79889	8.24153	2.95331
45	7.02289	8.51306	2.99514
44	7.25766	8.79765	3.03899
43	7.50395	9.09619	3.08499
42	7.76258	9.40971	3.13329
41	8.03447	9.73928	3.18407
40	8.32060	10.08612	3.23751
39	8.62207	10.45156	3.29381
38	8.94010	10.83707	3.35321
37	9.27602	11.24428	3.41595
36	9.63135	11.67500	3.48231
35	10.00773	12.13124	3.55261
34	10.40703	12.61527	3.62719
33	10.83133	13.12960	3.70643
32	11.28298	13.67709	3.79079
31	11.76463	14.26094	3.88074
30	12.27929	14.88480	3.97686
29	12.83035	15.55279	4.07978
28	13.42174	16.26966	4.19023
27	14.05792	17.04084	4.30905
26	14.74408	17.87259	4.43720
25	15.48621	18.77219	4.57581
24	16.29130	19.74811	4.72617
23	17.16758	20.81033	4.88983
22	18.12476	21.97060	5.06860
21	19.17438	23.24294	5.26464
20	20.33033	24.64416	5.48053
19	21.60938	26.19462	5.71941
18	23.03206	27.91918	5.98512
17	24.62373	29.84857	6.28239
16	26.41605	32.02121	6.61714
15	28.44918	34.48574	6.99686
14	30.77471	37.30471	7.43119
13	33.46011	40.55993	7.93274
12	36.59537	44.36045	8.51830
11	40.30317	48.85500	9.21079
10	44.75528	54.25178	10.04230

TABLE OF CONTRIBUTIONS TO SECTION 23F PENSION FUND

INTEREST RATE = 11%
SALARY GROWTH RATE = 8%

YRS. TO RETIREMENT	NO POST RETIREMENT INCREASES		\$ REDUCTION PER \$100 ASSETS % CONT.
	MALES % CONT.	FEMALES % CONT.	
50	4.33636	5.16629	3.35510

49	4.49940	5.36053	3.38715
48	4.67024	5.56407	3.42074
47	4.84940	5.77752	3.45597
46	5.03742	6.00152	3.49293
45	5.23490	6.23680	3.53176
44	5.44249	6.48412	3.57258
43	5.66091	6.74435	3.61552
42	5.89094	7.01840	3.66075
41	6.13343	7.30730	3.70843
40	6.38933	7.61218	3.75874
39	6.65968	7.93427	3.81190
38	6.94562	8.27493	3.86812
37	7.24843	8.63570	3.92765
36	7.56952	9.01824	3.99079
35	7.91046	9.42444	4.05782
34	8.27302	9.85639	4.12911
33	8.65918	10.31644	4.20503
32	9.07114	10.80725	4.28603
31	9.51141	11.33179	4.37259
30	9.98284	11.89344	4.46528
29	10.48866	12.49607	4.56473
28	11.03255	13.14406	4.67167
27	11.61877	13.84247	4.78693
26	12.25220	14.59713	4.91147
25	12.93851	15.41479	5.04641
24	13.68432	16.30334	5.19305
23	14.49741	17.27205	5.35292
22	15.38695	18.33184	5.52782
21	16.36388	19.49574	5.71990
20	17.44132	20.77939	5.93174
19	18.63514	22.20169	6.16646
18	19.96475	23.78577	6.42788
17	21.45412	25.56019	6.72072
16	23.13321	27.56065	7.05085
15	25.03999	29.83236	7.42576
14	27.22325	32.43347	7.85502
13	29.74679	35.43999	8.35119
12	32.69571	38.95330	8.93099
11	36.18603	43.11162	9.61724
10	40.38017	48.10847	10.44188

TABLE OF CONTRIBUTIONS TO SECTION 23F PENSION FUND

INTEREST RATE = 12%
SALARY GROWTH RATE = 8%

YRS. TO RETIREMENT	NO		\$ REDUCTION PER \$100 ASSETS % CONT.
	POST RETIREMENT INCREASES MALES % CONT.	FEMALES % CONT.	
50	3.09977	3.63503	3.94751
49	3.23781	3.79690	3.97604
48	3.38309	3.96726	4.00606
47	3.53608	4.14667	4.03768
46	3.69730	4.33574	4.07100

45	3.86734	4.53514	4.10614
44	4.04680	4.74559	4.14323
43	4.23637	4.96788	4.18241
42	4.43678	5.20290	4.22383
41	4.64884	5.45159	4.26766
40	4.87347	5.71500	4.31408
39	5.11163	5.99428	4.36330
38	5.36442	6.29072	4.41554
37	5.63305	6.60574	4.47106
36	5.91885	6.94090	4.53013
35	6.22333	7.29795	4.59306
34	6.54816	7.67886	4.66019
33	6.89519	8.08582	4.73191
32	7.26655	8.52130	4.80866
31	7.66460	8.98809	4.89092
30	8.09203	9.48933	4.97926
29	8.55192	10.02863	5.07431
28	9.04777	10.61010	5.17678
27	9.58358	11.23843	5.28752
26	10.16400	11.91907	5.40748
25	10.79440	12.65833	5.53776
24	11.48105	13.46355	5.67968
23	12.23133	14.34339	5.83474
22	13.05393	15.30802	6.00474
21	13.95920	16.36962	6.19184
20	14.95958	17.54273	6.39858
19	16.07010	18.84501	6.62810
18	17.30915	20.29801	6.88417
17	18.69943	21.92837	7.17150
16	20.26934	23.76936	7.49596
15	22.05482	25.86315	7.86497
14	24.10209	28.26394	8.28808
13	26.47160	31.04260	8.77779
12	29.24393	34.29364	9.35075
11	32.52897	38.14593	10.02967
10	36.48056	42.77986	10.84635

TABLE OF CONTRIBUTIONS TO SECTION 23F PENSION FUND

INTEREST RATE = 13%

SALARY GROWTH RATE = 8%

YRS. TO RETIREMENT	NO		\$ REDUCTION PER \$100 ASSETS % CONT.
	POST RETIREMENT INCREASES		
	MALES % CONT.	FEMALES % CONT.	
50	2.19354	2.53537	4.57284
49	2.30750	2.66709	4.59756
48	2.42806	2.80644	4.62372
47	2.55568	2.95395	4.65140
46	2.69086	3.11020	4.68072
45	2.83413	3.27579	4.71180
44	2.98608	3.45143	4.74476
43	3.14737	3.63784	4.77975
42	3.31868	3.83586	4.81691

41	3.50080	4.04636	4.85642
40	3.69458	4.27034	4.89845
39	3.90096	4.50887	4.94322
38	4.12096	4.76316	4.99095
37	4.35575	5.03453	5.04188
36	4.60659	5.32446	5.09629
35	4.87490	5.63459	5.15449
34	5.16228	5.96675	5.21683
33	5.47049	6.32300	5.28369
32	5.80155	6.70565	5.35551
31	6.15771	7.11732	5.43276
30	6.54153	7.56095	5.51602
29	6.95592	8.03991	5.60591
28	7.40420	8.55805	5.70316
27	7.89019	9.11977	5.80858
26	8.41829	9.73017	5.92314
25	8.99361	10.39515	6.04794
24	9.62210	11.12159	6.18427
23	10.31076	11.91756	6.33366
22	11.06784	12.79263	6.49789
21	11.90317	13.75813	6.67909
20	12.82855	14.82772	6.87982
19	13.85825	16.01788	7.10319
18	15.00971	17.34879	7.35297
17	16.30449	18.84534	7.63384
16	17.76950	20.53866	7.95163
15	19.43887	22.46817	8.31376
14	21.35643	24.68456	8.72972
13	23.57954	27.25411	9.21196
12	26.18463	30.26517	9.77707
11	29.27595	33.83823	10.44765
10	32.99942	38.14197	11.25536

TABLE OF CONTRIBUTIONS TO SECTION 23F PENSION FUND

INTEREST RATE = 14%
SALARY GROWTH RATE = 8%

YRS. TO RETIREMENT	NO		\$ REDUCTION PER \$100 ASSETS % CONT.
	POST RETIREMENT INCREASES MALES % CONT.	FEMALES % CONT.	
50	1.53870	1.75517	5.22314
49	1.63069	1.86010	5.24405
48	1.72859	1.97178	5.26631
47	1.83284	2.09069	5.29001
46	1.94390	2.21737	5.31526
45	2.06228	2.35241	5.34218
44	2.18855	2.49644	5.37089
43	2.32332	2.65017	5.40153
42	2.46725	2.81435	5.43425
41	2.62108	2.98982	5.46923
40	2.78562	3.17751	5.50664
39	2.96176	3.37843	5.54669
38	3.15049	3.59371	5.58960

37	3.35290	3.82459	5.63562
36	3.57019	4.07246	5.68502
35	3.80374	4.33886	5.73812
34	4.05504	4.62551	5.79526
33	4.32578	4.93435	5.85682
32	4.61788	5.26754	5.92323
31	4.93348	5.62754	5.99498
30	5.27502	6.01712	6.07264
29	5.64526	6.43945	6.15682
28	6.04737	6.89813	6.24824
27	6.48498	7.39731	6.34774
26	6.96229	7.94177	6.45626
25	7.48414	8.53703	6.57491
24	8.05620	9.18958	6.70498
23	8.68513	9.90698	6.84797
22	9.37876	10.69820	7.00568
21	10.14646	11.57390	7.18022
20	10.99942	12.54686	7.37416
19	11.95123	13.63257	7.59056
18	13.01846	14.84995	7.83321
17	14.22159	16.22233	8.10676
16	15.58621	17.77894	8.41703
15	17.14474	19.55672	8.77138
14	18.93883	21.60321	9.17929
13	21.02297	23.98056	9.65315
12	23.46979	26.77161	10.20946
11	26.37833	30.08932	10.87076
10	29.88721	34.09185	11.66855

TABLE OF CONTRIBUTIONS TO SECTION 23F PENSION FUND

INTEREST RATE = 15%
SALARY GROWTH RATE = 8%

YRS. TO RETIREMENT	NO		\$ REDUCTION PER \$100 ASSETS
	POST RETIREMENT INCREASES		
	MALES	FEMALES	
	% CONT.	% CONT.	% CONT.
50	1.07137	1.20749	5.89104
49	1.14417	1.28953	5.90836
48	1.22216	1.37742	5.92692
47	1.30574	1.47162	5.94681
46	1.39536	1.57263	5.96814
45	1.49149	1.68098	5.99102
44	1.59467	1.79727	6.01557
43	1.70547	1.92214	6.04194
42	1.82453	2.05633	6.07027
41	1.95254	2.20059	6.10074
40	2.09026	2.35581	6.13351
39	2.23855	2.52294	6.16880
38	2.39833	2.70302	6.20683
37	2.57065	2.89724	6.24784
36	2.75666	3.10688	6.29210
35	2.95765	3.33340	6.33994
34	3.17505	3.57842	6.39167

33	3.41048	3.84375	6.44770
32	3.66574	4.13145	6.50845
31	3.94289	4.44381	6.57441
30	4.24425	4.78345	6.64612
29	4.57245	5.15335	6.72423
28	4.93051	5.55691	6.80944
27	5.32190	5.99801	6.90259
26	5.75059	6.48117	7.00461
25	6.22123	7.01160	7.11661
24	6.73920	7.59537	7.23988
23	7.31084	8.23964	7.37592
22	7.94363	8.95282	7.52651
21	8.64647	9.74495	7.69377
20	9.43004	10.62807	7.88025
19	10.30726	11.61673	8.08901
18	11.29391	12.72873	8.32382
17	12.40949	13.98604	8.58931
16	13.67836	15.41611	8.89128
15	15.13136	17.05370	9.23706
14	16.80815	18.94351	9.63611
13	18.76056	21.14397	10.10075
12	21.05771	23.73295	10.64743
11	23.79381	26.81666	11.29858
10	27.10078	30.54376	12.08557

TABLE OF REDUCTION FACTORS FOR AMOUNTS PREVIOUSLY
RECEIVED FROM OTHER SECTION 23F FUNDS

APPLICABLE TO BOTH LUMP SUM AND PENSION FUNDS

SALARY GROWTH RATE = 8%
\$ REDUCTION PER \$100 RECEIVED

FUND EARNINGS RATE

YRS. TO RETIREMENT	9%	10%	11%	12%
50	0.03341	0.02579	0.01963	0.01475
49	0.03700	0.02872	0.02200	0.01664
48	0.04100	0.03200	0.02466	0.01877
47	0.04544	0.03567	0.02765	0.02119
46	0.05040	0.03978	0.03102	0.02393
45	0.05591	0.04437	0.03482	0.02704
44	0.06206	0.04953	0.03910	0.03056
43	0.06893	0.05530	0.04392	0.03455
42	0.07659	0.06179	0.04936	0.03908
41	0.08515	0.06907	0.05551	0.04422
40	0.09472	0.07725	0.06245	0.05007
39	0.10544	0.08645	0.07030	0.05672
38	0.11744	0.09681	0.07918	0.06428
37	0.13090	0.10849	0.08924	0.07290
36	0.14601	0.12166	0.10065	0.08273
35	0.16299	0.13652	0.11360	0.09394
34	0.18209	0.15333	0.12832	0.10676
33	0.20360	0.17235	0.14505	0.12141
32	0.22786	0.19390	0.16411	0.13818
31	0.25526	0.21835	0.18584	0.15741

30	0.28624	0.24614	0.21066	0.17949
29	0.32135	0.27776	0.23904	0.20487
28	0.36118	0.31381	0.27155	0.23408
27	0.40647	0.35497	0.30885	0.26778
26	0.45807	0.40209	0.35175	0.30672
25	0.51697	0.45611	0.40117	0.35180
24	0.58438	0.51821	0.45824	0.40412
23	0.66173	0.58977	0.52430	0.46497
22	0.75072	0.67247	0.60099	0.53594
21	0.85344	0.76832	0.69028	0.61896
20	0.97241	0.87981	0.79459	0.71638
19	1.11074	1.00998	0.91690	0.83113
18	1.27226	1.16259	1.06090	0.96683
17	1.46177	1.34237	1.23125	1.12804
16	1.68532	1.55529	1.43383	1.32057
15	1.95068	1.80899	1.67617	1.55185
14	2.26787	2.11341	1.96811	1.83157
13	2.65014	2.48165	2.32259	2.17257
12	3.11527	2.93133	2.75707	2.59211
11	3.68761	3.48659	3.29550	3.11395
10	4.40144	4.18148	3.97166	3.77161

TABLE OF REDUCTION FACTORS FOR AMOUNTS PREVIOUSLY
RECEIVED FROM OTHER SECTION 23F FUNDS

APPLICABLE TO BOTH LUMP SUM AND PENSION FUNDS

SALARY GROWTH RATE = 8%

\$ REDUCTION PER \$100 RECEIVED

FUND EARNINGS RATE

YRS. TO RETIREMENT	13%	14%	15%
50	0.01095	0.00805	0.00587
49	0.01244	0.00922	0.00677
48	0.01414	0.01055	0.00781
47	0.01608	0.01208	0.00901
46	0.01828	0.01384	0.01040
45	0.02080	0.01586	0.01200
44	0.02366	0.01818	0.01386
43	0.02694	0.02084	0.01601
42	0.03068	0.02390	0.01850
41	0.03495	0.02743	0.02138
40	0.03984	0.03148	0.02472
39	0.04543	0.03615	0.02860
38	0.05183	0.04153	0.03309
37	0.05917	0.04774	0.03831
36	0.06758	0.05490	0.04437
35	0.07724	0.06317	0.05141
34	0.08834	0.07273	0.05960
33	0.10110	0.08379	0.06915
32	0.11580	0.09661	0.08027
31	0.13274	0.11147	0.09324
30	0.15229	0.12872	0.10840
29	0.17490	0.14877	0.12613
28	0.20106	0.17212	0.14689

27	0.23140	0.19934	0.17123
26	0.26664	0.23114	0.19983
25	0.30765	0.26834	0.23348
24	0.35549	0.31196	0.27315
23	0.41140	0.36322	0.32002
22	0.47694	0.42361	0.37554
21	0.55397	0.49494	0.44147
20	0.64481	0.57948	0.52000
19	0.75229	0.67999	0.61384
18	0.87998	0.79997	0.72641
17	1.03236	0.94381	0.86202
16	1.21513	1.11713	1.02617
15	1.43563	1.32714	1.22599
14	1.70343	1.58330	1.47080
13	2.03121	1.89814	1.77298
12	2.43607	2.28859	2.14928
11	2.94157	2.77798	2.62283
10	3.58095	3.39932	3.22636

(Amended 28/3/83)

A Contributions

Formulae

- 1) Lump Sum -
- a) $E = \frac{(1 + I)}{(1 + G)} - 1$
- b) $A = \frac{SM}{(1 + E)N}$
- c) $K = A - B - [W(1 + I) - N](1 + G)$
- d) $V = K \frac{E}{[(1 + E) \left[1 - \frac{1}{(1 + E)N} \right]]}$
- e) $C = \frac{V}{(1 + G)}$
- f) $P = \frac{C}{S} \times 100$
- 2) Pension Non-reversionary as above, except that
- b) $A = SF \frac{[1 - (1 + R)^{-T}]}{(1 + E)N}$
- 3) Pension Reversionary
- $[1 - (1 + R)^{-T}]$ $[1 - (1 + R)^{-D}]$

$$b) \quad A = SF \frac{[\frac{R}{(1+E)^N} + \frac{2/3 R}{(1+E)^N}] [1+R]^{-T}}{(1+E)^N}$$

(Amended 28/3/83)

B Balance in Fund - Withdrawal

$$1) \quad \text{Lump Sum} \quad SM \quad \frac{[(1+E)^{J-1}]}{[(1+E)^{Q-1}] [1+I]}$$

$$2) \quad \text{Pension non reversionary} \quad SF \quad \frac{[1 - (1+R)^{-T}]}{(\frac{R}{(1+E)^{Q-1}}) [1+I]}$$

3) Pension Reversionary

$$SF \frac{[\frac{1 - (1+R)^{-T}}{R} + \frac{2/3 [1 - (1+R)^{-D}]}{R}] [1+R]^{-T}}{(1+E)^{J-1} [1+I]} \quad (1 +$$

C Early Retirement - 2.5% Reduction

$$1) \quad \text{Lump Sum} \quad ZM[1 - (.025(Q-J))]$$

$$2) \quad \text{Pension} \quad ZF \frac{[1 - (1+R)^{-T}]}{R} [1 - (.025(Q-J))]$$

- Where
- B = Balance presently in fund
 - C = \$ Contribution, based on final average salary
 - D = Spouses life expectancy at expiration of member's life expectancy, assuming female spouse is 3 years younger than male
 - F = Current Pension Factor
 - G = Salary Growth Rate
 - I = Fund Earning Rate
 - J = Years of actual serve
 - M = Current Multiplier
 - N = Number of years of fund membership
 - P = % Contribution, based on final average salary
 - Q = Years of prospective service
 - R = Post-retirement earning rate of fund
 - S = Current Salary
 - T = Life expectancy at normal retirement age
 - V = \$ Contribution, Based on final salary
 - W = Amount received from another fund
 - Z = Final average salary at date of retirement

