population for any year of calculation was obtained by multiplication of the following three elements:

A. 75% of the general benefit factor determined as described in section 2 of Appendix 5;

B. a reduction factor approximately equal to the ratio of the aggregate contributions made in respect of the members of the group who are insured for disability benefits to the aggregate contributions made in respect of all members of the group;

C. the disability prevalence rate shown in Schedule 2 or 3 above, as applicable.

In brief explanation of the make-up of the average benefit factor, application of 75% of the general benefit factor to the pertinent total population group produces a total amount of benefit that would be applicable if a disability pension were payable to all contributors in that group. Application of the reduction factor effectively reduces the population of contributors implicit in the general benefit factor to a population of contributors insured for disability benefits and, at the same time, takes account of the fact that average contributory earnings for contributors insured for disability benefits will be higher than the average contributory earnings for all contributors. (For males, the reduction factor used for all classes of estimates was 90%. For females, for the "high cost" estimates the reduction factor used was 75% and for the "low cost" estimates was 75% for 1970 and 1975, 80% for 1980 and 1985 and 85% for 1990 and quinquennial years thereafter.) Application of the prevalence rate effectively reduces the population of contributors insured for disability benefits to a population of disabled beneficiaries.

(b) Computation of benefits

For each sex and age group, the amount of benefit was computed for each quinquennial year commencing with 1975 as

number in total population × average benefit factor.

Total amounts of benefit were obtained by summation.