CAS-36187-V5N1

Ombudsman’s Determination

Applicant	Mr S
Scheme	Husqvarna UK Ltd Pension Scheme (**the Scheme**)
Respondent	Husqvarna Pension Scheme Trustee Limited (**The Trustee**)

Outcome

1. Mr S’ complaint against the Trustee is partly upheld. To put matters right the Trustee shall pay £1,000 to Mr S in respect of the serious distress and inconvenience which he has suffered.

Complaint summary

2. Mr S has complained that the Trustee changed the method for calculating early retirement pension benefits in the Scheme.

3. As a result, the pension benefits he was due to receive at age 55 were lower than the ones he had previously been quoted.

Background information, including submissions from the parties.

4. The sequence of events is not in dispute, so I have only set out the key points. I acknowledge there were other exchanges of information between all the parties.

5. On 1 December 1991, Mr S joined the Scheme which was a defined benefit arrangement set up by his employer, Husqvarna UK.

6. On 1 October 2011, the Scheme was closed, and Mr S became a deferred member.

7. On 6 February 2018, Mr S sent an email to Electrolux who were the Administrators of the Scheme at that time. He said that he was having some third party evaluations of his pension arrangements including his pension from the Scheme. He had some difficult choices to make regarding taking a Cash Equivalent Transfer Value (**CETV**) or a reduced pension at age 55 which would have a 40% reduction. He asked if he could have a figure for his annual pension at age 55 calculated from his accrued pension when he left the Scheme.

8. On 16 February 2018, the Deputy Group Pensions Manager sent an email to Mr S (**the February 2018 email**) and said:

> “The estimated pension at 65 is £35,327.69 per annum. At 55 you would get 60% of this which is £21,196.61 per annum. a. In addition, the current AVC fund value would give you an additional £2,500 per annum.”

The email also said that the figures were estimated and not guaranteed.

9. On 12 June 2019, at the request of Mr S, the new Administrators of the Scheme, Hymans Robertson, issued a retirement illustration (**the 2019 illustration**) for his pension benefits effective from November 2020 when he reached age 55. The quoted benefits were:

	Annual Pension (per annum)	Pension Commencement Lump Sum (per annum)	Additional Voluntary Contributions (**AVC**) Pension (per annum)
Option 1	£14,703.88	£0.00	£2,481.83
Option 2	£14,301.60	£68,742.84	£0.00

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10. Hymans Robertson provided further information:-

- The application of the Scheme’s early retirement factor (**ERF**) of 4% simple applied to Mr S’ pension at early retirement date in respect of the period from his date of retirement to normal retirement date.

- Hymans Robertson’s administrative practice did not allow for any assumption for future revaluation in the period from current date to the date of retirement where the date of retirement is not in the current year.

- The benefits would be recalculated at Mr S’ relevant date of retirement to allow for known revaluation rates and to include the full period of deferment.

11. On the same day Mr S wrote to the Trustee and said:-

- He was hoping to take his deferred pension from the Scheme in November 2020 when he reached age 55. In preparation for retirement at this age he had been constantly monitoring his pension fund situation and adjusting contributions to be able to meet his retirement objectives.

- This had involved setting up a Scheme AVC fund in addition to his Scheme pension. When the Scheme closed in 2011 and was replaced by a defined contribution scheme, he adjusted his contributions and from 2014 amended his contributions into his new employer’s scheme to allow for his target objectives to be met.

- This also involved requesting quotations from the group pensions office and engaging a financial adviser in November 2017 to assist with his pension planning.

- His financial adviser conducted a thorough analysis of his benefits from the Scheme including receiving a CETV quotation from the Scheme Administrators. The analysis showed his Scheme pension payable at age 55 was £19,689. This was based on the 2011 valuation of his Scheme pension at age 65 which was then actuarially reduced by 4% per annum.

- In February 2018, he requested a quotation of his Scheme pension at age 55 directly from the Scheme Administrators. This was sent to him with a value of £21,196 pa.

- Based on being able to achieve his target retirement funding from a combination of defined benefit and defined contribution pensions he reduced his pension contribution into his current employer's defined contribution scheme from 38% to 18%. He had also recently had the opportunity to take redundancy from a management position with a total salary package of more than £72,000, which had given him the opportunity to effectively retire at age 53.

- Knowing that the Scheme administration was now being managed by Hymans Robertson he took the opportunity to recheck the latest early retirement figures and to also obtain a new CETV figure. The Scheme pension at age 55 of £14,301 per annum quoted by Hymans Robertson was significantly lower than the previous information requested via his financial adviser and directly from the Scheme Administrator in February 2018.

- He was extremely concerned about his financial future, especially as he had adjusted his defined contribution pension contributions detrimentally and had also taken a redundancy opportunity, as he believed his Scheme pension was at an appropriate level to allow him to retire at age 55 based on two sets of previously provided figures.

12. On 12 June 2019. Mr S sent an email to Hymans Robertson and said:

- He referred to his leaving statement letter, which was sent on 18 October 2011, and showed an estimated pension at Normal Retirement Age (**NRA**) of £42,431.17. The statement showed a breakdown of how this figure was derived in terms of percentage growth depending on service built up as at 2001 and 2009.

- An approximate calculation of his Scheme pension at date of leaving was £20,013.78 per annum. This would have grown at 4.035% per annum to achieve the figure of £42,431.17 at NRA.

- Taking his accrued pension in 2011 and taking it to his retirement date of November 2020 would have provided a pension figure of £28,572. This should then have been reduced by 40% for taking early retirement which equated to an annual pension of £17,143 and was around £2,842 greater than the figures in the 2019 illustration.

13. On 9 July 2019, Mr S sent an email to Hymans Robertson and asked had there been any further progress regarding his query about his Scheme pension at age 55. He was concerned as he had a quotation for a CETV, and it was only valid for three months which was until 15 September 2019 He wanted to be able to make an informed decision.

14. On 22 July 2019, Mr S sent an email to the Trustee and said he had not had any response to his query. The deadline by which his CETV expired was only a few weeks away.

15. The same date the Trustee responded and said:-

- It was sorry for the delay but Mr S' query had thrown up an issue which both the Actuary and Legal Advisers were trying to resolve.

- The question arose around the treatment of early retirement and whether the early retirement pension was based on his projected pension to NRA reduced by the 4% per annum or on the value of his deferred pension revalued to the date of early retirement and then reduced by 4% per annum.

- On checking his file and reworking the calculations which were conducted when Electrolux was the Administrator, it was clear that Electrolux had based the early retirement pension on Mr S' estimated pension at NRA and then reduced it by the 4%.

- Hymans Robertson as new Administrators of the Scheme had challenged this method, and its administration and calculation system were set up under instruction from the Actuary to revalue only to the early retirement date. The Rules of the Scheme (**the Rules**) were not clear but implied that the revaluation was to NRA which was considered unusual.

- The early retirement issue did not have any effect on the transfer value calculation, so the CETV quotation that had been provided was correct.

- It had instructed Hymans Robertson to honour the previous method of calculation in Mr S' case as there was a clear history of illustrations being sent to him on the revaluation to NRA basis. This would not however set a precedent for the Scheme as a whole. As soon as a definitive answer was received from both the Legal Advisers and the Actuary it would advise him of the outcome.

16. On 24 July 2019, Mr S sent an email to Hymans Robertson and asked for an updated quotation for a retirement date of November 2020. He also asked how likely it was that the figure could change between then and November 2020. He was aware that Rules could be changed at any time for example regarding actuarial reductions.

17. On 28 July 2019, Mr S sent a letter to Hymans Robertson and said that he had been told by the Trustee that he would receive a new early retirement illustration that would be in line with the February 2018 email.

18. In August 2019, Hymans Robertson informed Mr S that any early retirement illustration would be on the same basis as the 2019 illustration.

19. On 15 August 2019, Mr S sent an email to the Trustee and said:-

- He had now been informed by Hymans Robertson that his Scheme pension at age 55 would not be in line with previous calculation methods and as quoted in the February 2018 email.

- He did not understand how a change of Administrator should mean a change in the calculation method used for previous retirees. The Trustee had said that the Rules did imply that revaluation is to NRA, but this would be unusual.

- Even though this may appear unusual this is what has happened to previous retirees under the amended ERF of 4% per annum to age 65.

- Deferred pensioners are already heavily disadvantaged by the change to the Scheme compared to when they first joined due to:

  - Closure of the Scheme to future accrual

  - The change to the early retirement reduction percentage from 3% to age 60 changing to 4% to age 65 (made to be actuarially cost neutral).

  - A change to the calculation method when changing Administrators.

- He had made financial decisions based on the February 2018 email which resulted in him reducing his pension contributions significantly and taking the opportunity of redundancy.

- It would now appear that the change to the ERFs was benefitting the Scheme in such a disproportionate manner that taking an early retirement pension would now be prohibitive for many deferred members leaving the choice of taking a CETV the only route open to them.

- Could there be an extension to the CETV quotation deadline.

20. On 15 August 2019, the Trustee sent an email to Mr S and said that as his complaint was subject to the formal Internal Dispute Resolution Procedure (**IDRP**) it was inappropriate for it to respond to Mr S' email. It would respond formally after the Trustee meeting on 22 August 2019. It also confirmed that the CETV quotation would be guaranteed to 15 September 2019 as previously agreed.

21. On 8 September 2019, Mr S sent an email to the Trustee and said that as he had not had a response to his complaint, he would like to request that his CETV quotation deadline of 15 September 2019 was extended until the outcome of the IDRP.

22. On 24 October 2019, the Trustee sent a letter to Mr S and requested a copy of the information he had been provided with by Electrolux.

23. On 29 October 2019. Mr S sent an email to the Trustee and provided a copy of the February 2018 email.

24. On 21 January 2020, the Trustee sent an email to Mr S and said:

- It would respond formally as part of the IDRP but would like to comment that the February 2018 email was not a formal early retirement illustration and clearly stated that the figures were not guaranteed.

- Mr S had said that the Hymans Robertson calculation was new, but this was not the case. Their calculation was the same one used by Electrolux prior to the transfer of Administrator. The Rules were changed for members taking early retirement on or after 11 October 2011. Retirees prior to this date were subject to a different set of rules but these are not applicable in his case.

- Mr S had said that other Scheme members had received benefits in line with a different calculation basis. While this may be possible in the case of an ill health retirement from active service or similar such enhancements, this was not applicable to Mr S.

- It could not comment on his decision to accept redundancy as it was not party to this.

- It reiterated that the benefit calculation completed by Hymans Robertson for early retirement from deferred status was correct and in accordance with the calculation used by Electrolux prior to the transfer of the administration. Following Mr S' initial challenge of the figures it re-checked every early retirement pension in payment from first principles in case there was a systemic error in the programming. It had concluded that there was none as all the cases in payment reflected the correct calculation basis.

- It had instructed the Administrators to extend the CETV quotation guarantee period to allow Mr S to reach a decision. It noted that Mr S had subsequently transferred his pension.

25. On 31January 2020, Mr S sent an email to the Trustee and said:-

- The method of calculation for early retirement that is a 4% reduction for each year to age 55 being applied from the pension payable at age 65 was clearly stated in the February 2018 email. As the calculation was sent by the Deputy Group Pensions Manager, he believed that the calculation method would be correct and would have been done many times for early retirement calculations.

- He had requested an early retirement quotation, and he had received the February 2018 email in response. His understanding was that there was no other formal process in place with the Electrolux.

- In the email of 22 July 2019, the Trustee had stated that the Rules were not clear but did imply that revaluation was to NRA, however this was unusual. It may be unusual, but it was what the Scheme had been doing for early pension payments and was confirmed by the February 2018 email.

- The Trustee also stated in the same e-mail that Hymans Robertson, as the new Administrators, had challenged this method and their administration and calculation system was set up under instruction from the Actuary to revalue only to the early retirement date. This was clearly an instructed change from the Actuary to change the method of early retirement calculation to that which had been used previously when Electrolux administered the Scheme.

- He accepted redundancy and reduced his pension contributions significantly based on the February 2018 email.

- He requested an extension to the CETV expiration date (which was 15 September 2019) in an e-mail sent on the 15 August 2019. No extension was forthcoming beyond this date which led him to take the option of transferring out of the Scheme. CETV values were close to an all-time high at this time which was why he took the decision to transfer out.

- He remained extremely disappointed with the response from the Trustee regarding this matter, which not only affected him, but all the other deferred members of the Scheme who were yet to retire.

26. On 17 April 2020, the Trustee sent Mr S its IDRP response which said:-

- The 2019 illustration had been calculated on the correct basis.

- Mr S had been provided with an incorrect indication of the early retirement value of his benefits in the Scheme, in the February 2018 email and it apologised for this.

- The Trustee noted that the February 2018 email clearly stated that the figures were estimated and not guaranteed. It was not generated through the normal process as there was no audit trail showing the completion of an early retirement illustration at this date.

- The Trustee did not have copies of the full email exchange to support the February 2018 email, although this has been requested from Electrolux. The correct 4% annum reduction had been applied; however, the reduction had been applied to an incorrect initial figure that was the projected pension at age 65 rather than the pension revalued to actual retirement age.

Actions undertaken since Mr S' complaint in August 2019

- Mr S' complaint was that the basis of the early retirement pension calculation had been changed when the administration of the Scheme passed from Electrolux to Hymans Robertson.
- The Trustee was concerned that there may have been a systemic error in the system, so it commissioned a full audit of all members who took early retirement back to the closure of the Scheme in 2011. The outcome of this audit showed that all retirements since 2011 had been paid in accordance with the Rules. This meant all pensions were paid based on the pension revalued to the actual date of the members early retirement then reduced by the actuarial reduction factor from age 65 to that date.
- The only exception to this approach was for members who received enhanced pensions either because of ill health or individual company augmentation. This audit was a time consuming and costly exercise which unfortunately delayed the response to Mr S. It apologised for this, but the Trustee felt it was important to ensure the review was thorough.
- The results of the audit proved that members' early retirement pensions had been consistently calculated by the same method used by Hymans Robertson in the 2019 illustration, and by Electrolux before that date. There is no evidence therefore that there had been either a change in administration practice or calculation basis since 2011, or a systematic error in early retirement calculations. So, Mr S' complaint was not upheld.

Mr S' position

27. Mr S asserted that the current method for calculating the ERF was not cost neutral, which it should be according to clause 4.4 in the Rules which states that:

> "(3) Amount of Pension
>
> The Deferred Member's pension under this Rule 4.9A shall be the deferred pension to which he or she would have been entitled to on Normal Retirement Date under Rule 4.8 (Deferred Pension) reduced by the Early Retirement Discount."
>
> "The "Early Retirement Discount" means for the purposes of Rule 4.4 a reduction in pension to take account of the pension starting before Normal Retirement Date. The reduction will be such percentage of the pension's initial amount as the Trustees determine (having regard to the Actuary's advice) from time to time. Different percentages may apply to different circumstances.
>
> …
>
> The reduction is subject to the Preservation Requirements and the Trustees must be reasonably satisfied that the reduced pension's capital value is at least equal to

what the unreduced pension's capital value would have been had the latter started on the day after Normal Retirement Date**."**

28. His NRA was age 65 and therefore the deferred pension he should have been entitled to should have been the amount he would have receive at age 65 then reduced by the 4% per annum for every year taken before then. This correlated to the information provided in the February 2018 email.

29. He had previously been provided documentary evidence that the new Scheme Administrators did not like this method of calculation, even though it was very much in use, and was being used in accordance with the Rules.

30. His additional comments regarding the cost neutrality of the new calculation method had been ignored and no evidence had been provided to demonstrate that it was cost neutral. An Actuary should be capable of providing this information very easily. He believed the Actuary had failed to provide this evidence because they could not demonstrate the cost neutrality.

31. His loss was an annual pension decrease of £6,511 per annum until death and then a reduced spouse's pension following this.

The Trustee's position.

32. As the Trustee understood it, Mr S' position was that the 2019 illustration reflected a change in administration practice for calculating early retirement pensions. He believed that the previous practice would have involved projecting his deferred pension to NRA before applying the ERF.

33. However, as previously confirmed this has been the administration practice since (at least) the current early retirement rules were introduced in 2011.

34. It provided a paper from the Scheme actuary dated 10 November 2011 as evidence to support its assertions. On page 2 of this paper, it was confirmed that:

> "for deferred pensioners taking early retirement, the deferred pension is revalued to actual retirement date, and a Scheme ERF reduction applied. (For the Husqvarna Scheme, the ERF reduction is in general currently 4% a year simple for the period early of 60 or 65 depending on circumstances.)"."

35. This paper demonstrated that the same approach had been used since at least 2011.

36. It also provided a paper from the Scheme actuary dated 31 October 2013. The relevant extract is in the Appendix. This was produced in the context of a review of ERFs undertaken by the Trustee. The extract confirmed that prior to October 2011 the Scheme applied a 3% ERF which, for deferred members, was applied to "the "current level" of deferred pension (that is, the deferred pension revalued to early retirement date)".

Adjudicator's Opinion

37. Mr R's complaint was considered by one of our Adjudicators who concluded that the Trustee should take further action to put this matter right.

38. The Adjudicator's findings are summarised in paragraphs 39 to 48.

39. The Trustee had agreed that Mr S was provided with an incorrect early retirement quotation in the February 2018 email, so there was no dispute that a problem had occurred, and Mr S had been disadvantaged as a result.

40. The Adjudicator accepted that the February 2018 email was incorrect, and this amounted to maladministration on the part of Electrolux, the Administrator of the Scheme at the time. The usual course of action would be to put Mr S back into the position he would have been in had the maladministration not occurred, but this did not mean paying Mr S a pension that he was not entitled to under the Rules.

41. The Adjudicator noted that the figures in the February 2018 email were stated to be estimated and not guaranteed. In the Adjudicator's view, it was not reasonable for Mr S to have relied upon them when making life changing decisions, for example when considering taking redundancy over a year later in April 2019.

42. The Adjudicator understood that Mr S only received the correct 2019 illustration on 12 June 2019. However, despite this it would have been prudent for Mr S to have obtained an up to date and formal retirement illustration from the Scheme, before making any important decisions which relied on his potential benefits from the Scheme.

43. The Adjudicator noted that the Scheme papers of 10 November 2011 and 31 October 2013 provided statements from the Scheme Actuary at the time and confirmed that any reductions were made from deferred pensions revalued to the actual retirement or early retirement date. Not to the NRA of age 65 as Mr S had argued. Mr S was provided with the information in the Scheme papers but did not provide any comments.

44. The Adjudicator appreciated that Mr S said that he might not have taken redundancy had he received the correct estimate and could have sought an alternative position instead. The Pensions Ombudsman would expect to see efforts to mitigate any loss caused by the events that are being complained about, such as Mr S seeking and taking alternative employment, if he was unable to reverse the redundancy process. However, the Adjudicator could not see that Mr S has made any effort to mitigate his loss. Had he done so, his loss would not be as extensive as the amount he now claims.

45. Mr S also confirmed that due to a change in personal circumstances since he took redundancy, there has been no need to take further employment. He could therefore have potentially waited to take his pension at a later date or even at his normal retirement date, meaning that there would have been a smaller or no reduction to his

eventual pension. Especially as Mr S had said that he wanted the financial stability and relative financial certainty that a defined benefit pension provided.

46. As regards to the substance of his complaint, the Adjudicator noted that, the Scheme Actuary had confirmed that that the Scheme's current ERFs were cost neutral on a best estimate basis. It has further been confirmed that the Trustee has set the ERF in accordance with the Rules, having taken appropriate advice. Consequently, the Adjudicator considered that it was highly unlikely that the Pensions Ombudsman would intervene in relation to the way in which the early retirement pension had been calculated.

47. During the course of his investigation the Adjudicator suggested an offer of £2,000 was made by the Trustee to resolve the complaint. The Trustee agreed to make the offer but Mr S did not accept it.

48. In light of the points set out above, it was the Opinion of the Adjudicator that the complaint should be upheld in part, but the current offer of £2,000 that had been discussed was more than fair and likely higher than the Pensions Ombudsman would award in this case.

49. Mr S did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr S provided additional comments which are summarised below:-

- He was not satisfied that the Scheme's ERFs were cost neutral.
- His loss was a pension reduction of approximately £7,000 per annum and this meant he had suffered a severe financial injustice.
- If he had known the calculation method would change, he would not have taken redundancy.
- He had not wanted to transfer out of the Scheme, but he had been forced to do so.

Ombudsman's decision

50. Having considered the complaint submissions form both parties, and the additional comments, I agree with the Adjudicator's Opinion that the complaint should be upheld in part and that the award of £2,000 that was informally negotiated was higher than I would award in the circumstances.

51. I appreciate that Mr S has interpreted the Scheme Rules in a different way to that of the Trustee and Scheme Administrator. I also understand that Mr S' interpretation was in line with the February 2018 email. However, the Scheme actuarial papers from 2011 and 2013 clearly show the method for revaluating of deferred pensions in the Scheme. It is clear that Mr S' interpretation does not take into account this actuarial guidance/information.

52. I note that despite being invited to do so, Mr S chose not to comment on these documents, including the extract that explained the alternative way that the Scheme could have chosen to calculate early retirement pensions, and the explanation as to why this approach was not adopted by the Scheme.

53. The Trustee has followed the guidance set out by of the Scheme Actuary regarding how early retirement pensions should be calculated. The 2019 illustration correctly revalued Mr S' pension to the point at which it was to be paid, and not to NRA. The Scheme Actuary has also confirmed that, in its professional view, the Scheme's current ERFs are cost neutral on a best estimate basis. I find that the pension has been calculated in line with the Rules and the associated guidance provided by the Scheme Actuary and so there has been no maladministration regarding the calculation of the 2019 illustration.

54. I note though that Mr S was provided with incorrect information in the February 2018 email. In addition, Mr S was also originally told by the Trustee that although it acknowledged that there was an error it would adhere to the methodology used in the February 2018 email and this would be applied to his pension benefits. The Trustee then subsequently withdrew this offer when it had reviewed the February 2018 email and the fact that it was an informal calculation rather than a full illustration.

55. I agree that this must have been frustrating for Mr S and it added to the confusion as to whether there had been a change in how the calculation was completed by the different Administrators. The Trustee also indicated to Mr S that Hymans Robertson wished to challenge the methodology of revaluing pensions to NRA and then applying a reduction.

56. Mr S has now been provided with the correct position regarding the amount of Scheme pension he would have received had he taken his pension at age 55 and there is no direct financial loss caused to him. Mr S had instead suffered a loss of expectation regarding the level of pension benefits he would have received had he taken early retirement at age 55 as the February 2018 email led him to believe the amount would be higher.

57. Mr S has said that he reduced his contributions to his defined contribution pensions and took an offer of redundancy based on the incorrect information provided in the February 2018 email. I agree with the Adjudicator that Mr S should not have relied on the February 2018 email to make detailed financial decisions in 2019 and, once he was aware that the information was incorrect, there was still the opportunity for Mr S to mitigate the losses caused by these decisions.

58. Mr S submitted his complaint on 15 August 2019 and the IDRP answer was not provided until 17 April 2020. I note that the Trustee did email Mr S in January 2020 with some initial thoughts, but Mr S was not updated regarding why there were delays other than this. I also note that Mr S had repeatedly asked the Trustee whether the deadline for his CETV could be extended as he wanted to receive the outcome of the IDRP before deciding whether to transfer out of the Scheme.

59. The Trustee has said that it had agreed to extend the deadline, but this information was not passed on to Mr S by Hymans Robertson. Mr S has said that in the circumstances he was not able to wait for the outcome and had to make the decision to transfer out of the Scheme without full information so that he could comply with the CETV deadline.

60. I find that Mr S has suffered serious distress and inconvenience because in addition to the original incorrect information the Trustee indicated that the incorrect calculation would be honoured. Mr S was then not updated regarding the progress of his complaint, and he was not updated that his CETV deadline had been extended. I find that an award of £1,000 is appropriate recognition for the serious distress and inconvenience suffered by Mr S.

61. Mr S' complaint is upheld in part.

Directions

62. Within 28 days of the date of this Determination, the Trustee shall pay £1,000 to Mr S in recognition of the serious distress and inconvenience he has experienced.

Dominic Harris

Pensions Ombudsman
26 February 2024

Extracts from the Paper from the Scheme Actuary dated 31 October 2013

“Prior to the Scheme closure from 1 October 2011, the Scheme used (generous) 3% a year simple early retirement reduction, and with this reduction applied only below age 55 or age 60 (rather than age 65) for many long-serving members. This reduction applied both (a) to the accrued pension, for members retiring direct from service, and (ii) to the "current level" of deferred pension (i.e., the deferred pension revalued to early retirement date), for members retiring from deferred status.”

….

“For completeness, many other schemes use different factors with a pragmatic simple, scale for members in service; and the “deferred” factors are often actuarial factors applied to the deferred pension projected with future revaluations to Normal Retirement Age, which makes it theoretically easier to cope with different tranches of deferred pension with different revaluations. Instituting such a change would involve significant reprogramming of the administration team’s existing computerised benefit calculation routines. I have assumed below that the Trustees will be content on practical grounds, for this review, to maintain the current approach of the Table of Early Retirement Factors being applied to the ”current level” of deferred pension.”