

# TECHNICAL BULLETIN

NO.11

MARCH 2005



**TO ALL EMPLOYERS WITH MEMBERS IN THE LOCAL GOVERNMENT PENSION SCHEME. PLEASE ENSURE COPIES ARE PASSED TO RELEVANT STAFF.**

## **Increase to Early Retirement Payments for Retirals after 1 April 2005**

Discussions have recently taken place between Hymans Robertson (The Fund Actuary), the Association of Consulting Actuaries (ACA) and Local Authority pension funds including Strathclyde Pension Fund. Following these discussions it was agreed that the strain and augmentation costs based on the factors produced by Hymans Robertson back in 1998 should be increased by 25% from 1 April 2005. This rise follows changes to life expectancy and drops in long term rates of interest.

Hymans have subsequently carried out a detailed analysis of appropriate factors based on their standard recommended basis for the 2004 valuations in England and Wales and view the application of a 25% increase as an interim measure. Hymans are proposing to pursue with the ACA national adoption of revised factor tables which will more accurately reflect the increased cost of retirements with a view to these being implemented with effect from 1 April 2006.

A paper produced by Hymans, which considers the rationale in more detail is enclosed and has also been posted to the News section of our Website.

Should you have any questions regarding this matter please contact us and we will be happy to discuss this with you.