



Reference:

STRICTLY PRIVATE AND CONFIDENTIAL

xxx

By email to: xxx@hotmail.co.uk

27 March 2013

Dear xxx

Freedom of Information request

Thank you for your Freedom of Information request dated 3 December 2011. I apologise for the delay in responding to your request.

You asked the following questions.

1. *What were the driving forces behind the publication?*
The commutation factors were reviewed following a change to the discount rate used to set contributions to the unfunded public service pension schemes announced in the 2011 Budget.
2. *What are the dates and titles of all the research material on which the publication is based?*
The review is informed by an analysis of the scheme's experience between 1 April 2005 and 31 March 2008. Consideration is also given to the allowance for future mortality improvements underlying the ONS principal UK population projections.
3. *When was the GAD research that preceded this report initiated? And by whom?*
The scheme's experience between 1 April 2005 and 31 March 2008 was analysed as part of the valuation of the scheme as at 31 March 2008. This analysis took place in 2009 and was commissioned by the Home Office.
4. *What was the date of the first draft of the GAD report?*
A partial draft was presented to the Scheme actuary on 19 April 2011.
5. *To whom was this presented?*
See 4. above
6. *On what basis was 20th April, 2011 chosen as the effective date of implementation?*
This was the date on which the review of commutation factors was completed and the Scheme actuary decided to revise the factors. The factors were then sent to the Home Office, the Scottish Public Pensions Agency and the Department of Justice (Northern Ireland) on the same date for wider dissemination and, so we are advised, effective from that date.
7. *On what date was the change notified to pension providers?*
The scheme managers (Home Office, the Scottish Public Pensions Agency and the Department of Justice (Northern Ireland)) notified police authorities of the changes. This took place shortly after the scheme managers received the revised factors. Please contact the relevant scheme managers for confirmation of actual dates.

8. *Was advance notice provided to police professional associations regarding the changes? If so please provide details and copies of correspondence.*

No

9. *Please detail any considerations regarding the implementation date.*

The factors were implemented on the date on which the review of commutation factors was completed and the Scheme actuary decided to revise the factors.

10. *Has there been any consideration about backdating the provisions to ensure fairness to police pensioners who retired before this date but who were not aware of impending changes? If so please provide details.*

We have been advised that there is no duty to backdate the factors beyond the date of issue.

If you are dissatisfied with the handling of your request, you have the right to ask for an internal review. Internal review requests should be submitted within two months of the date of receipt of the response to your original request and should be addressed to:

Kevin Down
Director of Finance
GAD
Finlaison House
15-17 Furnival Street
London
EC4A 1AB

Please remember to quote the reference number above in any future communications.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF

Yours sincerely

DRAFT

Matt Wood

Deputy Chief Actuary: Teachers and Police Division