

This leaflet explains how pension factors work, why they are reviewed, and how they can affect the benefits you receive when you retire.

The Trustee reviews pension factors regularly and may change them from time to time to reflect changes in life expectancy and economic conditions.

This leaflet is intended as a general guide only and does not change the Rules of the Plan, which will always apply.

What are pension factors?

Pension factors are used to calculate your pension benefits and the options you can choose, such as:

- how much cash you receive if you choose to exchange all or part of your pension for a lump sum.
- how much pension you receive if you choose to retire before or after your normal retirement age.

Factors are used to make sure that benefits are calculated fairly, whatever age you retire or options you select.

Why are the factors reviewed?

The Trustee, with the help of its advisers, regularly reviews the factors to ensure they are appropriate and reflect:

- **Life expectancy** – the length of time pensions are expected to be paid for.
- **Economic conditions** – changes in interest rates and inflation affect the cost of providing benefits.
- **Fairness between members** – to make sure the Plan treats members consistently and remains sustainable.

How often can factors change?

Factors are reviewed regularly. This does not mean that they will change each time, but it does mean that they are kept under review to make sure that they reflect current conditions. Different types of factors may be reviewed at different times.

What does this mean for my retirement quotation?

When you request a retirement quotation, the figures quoted are based on the factors in place at the time it is produced. This applies whether you run the quotation online or receive it from the pensions team.

Your final benefits may be different from any earlier quotations, if the factors have changed in the meantime.

Things to remember when planning for retirement

When planning for retirement, it is important to remember that:

- retirement quotations are estimates and are not guaranteed.
- your pension and any tax-free cash are calculated using the factors in force when your pension is set up and starts to be paid.
- future reviews of factors may change the benefits shown in earlier quotations.
- the Trustee can change factors at any time.

Where to get help

- **Run a new retirement quotation** - you can run a new quotation through the secure pension portal at: www.pearson-pensions-portal.com. This is the quickest and easiest way to get your quotation. If you have any questions about how to access your secure account, please contact the team using the details below.
- **Visit the Plan website** at: www.pearson-pensions.com, the site contains a wealth of information, including links to websites providing free and impartial advice such as The Pensions Advisory Service and Pension Wise.
- **Ask an independent financial adviser to help you.** For further information on how to find a retirement adviser, please visit the MoneyHelper website at: www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser. You will have to pay for the advice or services that you receive from the adviser.

Contact the team

You can contact the team using our website at: www.pearson-pensions.com/contact-us.

Alternatively, you can email: pensions.helpline@pearsonpensions.com or call 0800 7811378.



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