

## Note for Meeting on 25/10/10 on the USS Consultation

The aim of this note is to provide an introduction for the meeting at 14:00 on 24/10/10.

### Background and Remit

As I understand it the aim of this meeting is to review the information provided by USS in paper form and on its consultation website (<http://www.ussconsultation.co.uk>). The email that the Registry circulated indicated that the Working Group's remit is "to advise the Vice-Chancellor about whether he should request through the Employers' Pensions Forum (EPF) to USS that additional examples or illustrations of the proposed changes to the Scheme be provided". That is not necessarily my memory of the Council meeting on 18/10/10; I thought that the remit of the Working Group was to advise the Council through the Vice-Chancellor about whether the University should provide further information after consultation with the USS (specifically the USS Trustee Board). This is something that we will have to sort out at the meeting, e.g. if necessary by circulating the Council as to what the collective memory is.

Further, I note that I can find no reference to the EPF in the rules of the USS (<http://www.uss.co.uk/Rules/2009rules.htm>): only references to UUK and UCU; hence I would like the statutory role of the EPF to be explained. In addition, as I observed in my note to the Council, as far as I can tell from *The Consultation by Employers Regulations (2006)* (e.g. see the guidance issued by the DWP: <http://www.dwp.gov.uk/docs/occ-personal-pens-schemes-regs06.pdf>), it is the University, as employer, that has the obligation carry out the consultation. For instance on page 11 of the DWP Guidance (my emphasis):

*18. The relevant **employers**, scheme trustees, scheme managers or any other person who is able to make a change to a multi-employer occupational pension scheme must not make a significant change (as listed in regulations 8 and 9) to the pension scheme unless the **employer** into the scheme has consulted in accordance with regulations 11 to 16.*

Indeed, the USS website states (my emphasis)

*Your **employer** is seeking your comments on the proposed changes as part of its statutory consultation on those changes. ... Your **employer** and each affected member is under a statutory duty under the relevant regulations to work in a spirit of co-operation, taking into account the interests of both sides. Please would you therefore carefully consider the objectives behind the proposed changes, as set out in the information notice from your **employer**, and summarise on the form below where you believe that those objectives would be more effectively achieved by a different method. Your comments on this form are regarded as confidential and are to be considered by your **employer** and the trustee company (and may also be reviewed by their respective advisers).*

On that basis, I propose that the purpose of the meeting should be to determine whether the information circulated by USS and on its consultation website, is sufficient for the University to be conducting an exemplary consultation as employer, e.g. whether the information provides illustrative worked examples to indicate of how the proposed changes will affect an employee's future pension arrangements. Further, if we conclude that the information is not exemplary then I would argue that as soon as possible the University should provide such material (after checking with the USS Trustees).

### The Information Circulated by USS and on its Consultation Website

It appears to me that there is relatively little additional information provided on the consultation website (<http://www.ussconsultation.co.uk>), over and above what is provided in the leaflet (<http://www.ussconsultation.co.uk/newsletter.pdf>); for instance there is an interactive benefit modeller (for the effect of the proposed change to the NPA if you retire between 60 and 65) and a cost of contribution illustrator (for the change in the cost of monthly contributions). Neither the

leaflet, nor the consultation website, illustrate or discuss in any detail

- the effect of adopting CPI with a cap rather than RPI for deferred benefits and pension increases,
- the difference between CARE and the current final salary arrangements.

A summary of the consultation website is given in the Appendix.

## **The Need for Urgency**

As noted on the consultation website

*You may submit this form only once by pressing 'submit' below. Once you have submitted this form, you will not be able to complete a further form. Please therefore think carefully before submitting it.*

Members of the University may have already made submissions with, I would argue, inadequate informations and illustrations. There is therefore a need for urgency.

## **What Is Missing?**

The DWP Guidance recommends that employers provide

*An illustrative worked example to give an indication of how the proposed change will affect the employee's future pension arrangements.*

The University, as employer, has a responsibility to carry out an informed consultation. Even if the University has satisfied the minimum requirements (and it's not clear to me that it has given the paucity of illustrations), the DWP Guidance notes that "there are no restrictions on an employer providing more information if considered appropriate". I would argue that the University's consultation should be exemplary; at present it is far from so.

To that end I would like to propose that the University should send out supplementary material to staff who are active members of the USS illustrating:

- (a) the effect of the change from RPI to CPI, capped at 2.5%, for revaluation of deferred pensions;
- (b) the effect of the change from RPI to CPI, capped at 5%, for pension increases;
- (c) the effect of changing from a final salary scheme to a CARE scheme, so that an incoming member of staff, or a member of staff who has to rejoin the scheme after a 6-month break (or after working overseas for, say, a year), appreciates approximately what pension they will receive.

Further, I would argue that the University should also distribute supplementary material indicating the costs of the proposed changes, and alternative changes. Without such costs it is next to impossible for a member to

*summarise on the form below where you believe that those objectives would be more effectively achieved by a different method*

as requested on the response form. E.g. what would be the differential costs for a 1/60<sup>th</sup> CARE scheme, and/or an uncapped RPI scheme.

Finally, the University, or USS, should make available the precise rule changes available for those who want to see them.

## Appendix: The Consultation Website

The consultation website (<http://www.ussconsultation.co.uk>) has the following sections.

### Library

This provides the same documentation in electronic form as members should have already received in paper form. There is also a list of the organisations involved with USS and a sentence or two explaining how each is connected to USS (but this list does not add anything to understanding the proposed changes).

### Q&As

This section provide no additional information about the changes. Indeed, where the Q&As refer to the changes (as opposed to other issues such as "What do I do if I have problems logging on to the website?"), it appears that there is little more, if any, information than in the paper documentation already circulated.

I do note however that

*Your consultation response will be provided to your employer, and it will be forwarded on to the trustee company, which for legal purposes is the 'person' proposing to make the scheme changes. The trustee company must take into account the responses made by affected members (and, indeed, by their representatives) during the consultation.*

Note the "*their representatives*".

### Glossary

This provides some definitions that may be useful if unfamiliar terms are encountered when reading the documentation. As one would expect, it doesn't provide any information about the changes themselves (except that it mentions there will be a change in Normal Pension Age (NPA) under the proposals, but only gives partial details of the proposed change). It is not even clear how useful it is as a glossary since it is provided with the following caveat: "The definitions in the USS Rules may differ to the definitions above, and if so, the definitions in the USS Rules will prevail at all times".

### Video

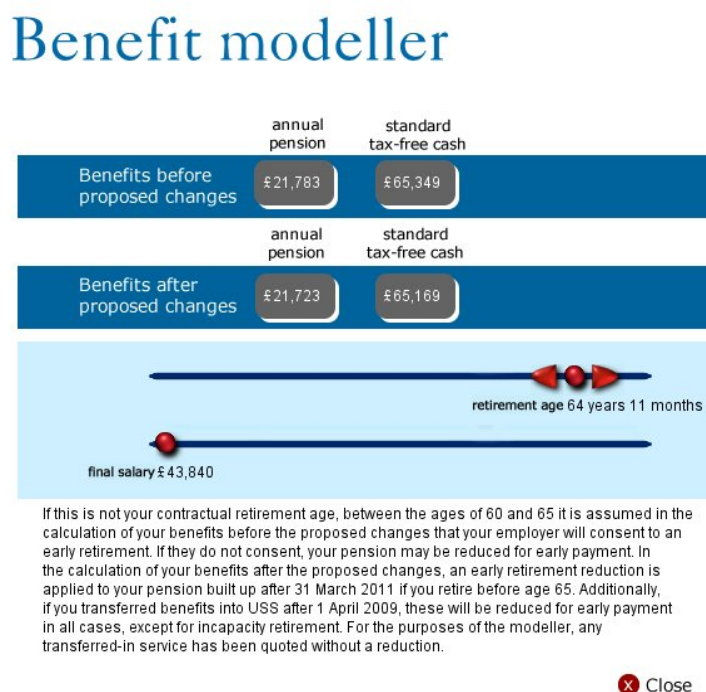
The video section is split into 6 videos of between 1 and 3 minutes each. There's an introduction and then one video on each of the following 5 proposed changes:

- Early and late retirement
- Flexible retirement
- Future contributions
- Changes to pension increases
- New section of the scheme

These videos address the proposed changes in a somewhat different order to the "Consultation on proposals for changes to USS" document already received. This is potentially confusing as it might suggest that more/different information were contained in the videos than the "Consultation on..." document. As far as I can tell this is not the case since the videos are essentially the relevant bits of the "Consultation on proposals for changes to USS" document read out (in some cases with the wording in a slightly different order) over bullet points and some simple animations illustrating the changes. However neither the bullet points nor the animations provide any new information over what is being read out.

## Benefit modeller

Assuming this modeller works on your system<sup>1</sup>, it allows you to see the difference in annual pension and "standard tax-free cash" on retirement under the current scheme and the proposed changes. It provides a slider for retirement age allowing you to vary it between 60 and 65 years in monthly increments, and another slider allowing you to vary your final salary from your current pensionable salary to a final salary of £100,000 in £500 pound increments (rounded to the nearest £500 pounds as necessary).



Assuming its calculations are correct it seems reasonable as far as it goes. Of course, it doesn't mention that if you're a member now, but then have more than a six month break and rejoin the scheme, your situation at retirement will then be significantly different. This might be quite important, because in the current financial climate there is an increased risk of a break of longer than six months in their employment between now and retirement (e.g. for post-docs).

## Cost of contribution

This modeller allows you to see the difference in monthly pension contributions (and the consequence reduction in month take home pay) under the current scheme and the proposed changes. It's fine as far as it goes, but in order to be usefully informative, you would need to know what the difference in your benefits would be under the current scheme and under the proposed changes.

As it stands it is potentially misleading, because for most people it is likely to suggest that the reduction in monthly take home pay under the proposed changes is comparatively small. Taken in isolation this may, no doubt unintentionally on the part of the people responsible for it, create the impression that the cost to the employee of the changes is quite low. That may or may not be true, but such an assessment could only be fairly made if it was made clear what the change in employee benefits is as well as the change in employee costs.

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<sup>1</sup> The modeller requires Java (but doesn't say this anywhere), and doesn't work under all browsers (although that may be to do with the versions of Java rather than the browsers themselves). No instructions are provided as to which browsers/OSes/versions of Java are required.

## On-line form provided for member's (or potential member's) response

This provides no additional information about the proposed changes, and simply tells you to refer to the information you have received from your employer. A printout of the form is attached, see also the screen-shots below.

USS employers consultation - Mozilla Firefox

USS employers consultation

USS employer consultation

Members Employers

### Your response

Cymraeg English

Please complete this form if you have any comments on the proposed changes to the scheme as set out in the information notice that you have received from your employer.

You may submit this form **only once** by pressing 'submit' below. Once you have submitted this form, you will not be able to complete a further form. Please therefore think carefully before submitting it.

If you wish to consider your answers further before submitting your comments, please press 'save' below, which will allow you to return to complete the form later.

Your employer is seeking your comments on the proposed changes as part of its statutory consultation on those changes. Please send any comments that you may have on the proposed changes using this form by 22 December 2010. The statutory consultation is due to end on that date.

Your employer and each affected member is under a statutory duty under the relevant regulations to work in a spirit of co-operation, taking into account the interests of both sides. Please would you therefore carefully consider the objectives behind the proposed changes, as set out in the information notice from your employer, and summarise on the form below where you believe that those objectives would be more effectively achieved by a different method.

Your comments on this form are regarded as confidential and are to be considered by your employer and the trustee company (and may also be reviewed by their respective advisers).

The board of the trustee company is required by the relevant regulations to consider your comments and other responses received in the course of the statutory consultation before deciding whether or not to make the proposed changes.

This form will be anonymous unless you wish to have your name recorded against your

**Helpful tools**

- Library**  
Documents on the proposed changes, including the information notice you received from your employer
- Q&As**  
Useful questions and answers on the proposed changes
- Glossary**  
Technical terms explained
- Video**  
Watch the video presentation explaining the proposed changes
- Benefit modeller**  
See how the proposed changes to NPA may affect you
- Cost of contribution**  
See how the proposed changes may affect the contributions you make to USS

USS employers consultation - Mozilla Firefox

USS employers consultation

This form will be anonymous unless you wish to have your name recorded against your comments.

By submitting this form you confirm that you are an active or prospective member of the scheme who is affected by the proposed changes.

Please refer to the information notice regarding the proposed changes which you have received from your employer for a description of each of the following proposed changes. Then make your comments (if any) in the relevant section:

1. Normal pension age of 65
2. Actuarially reduced early retirement benefits
3. Flexible retirement arrangements
4. Contributions and cost sharing arrangements

USS employers consultation - Mozilla Firefox

USS employers consultation

5. Caps on pensions increases and on revaluation of deferred benefits

6. New CARE-like benefits section for new entrants

7. Other

If you hold 2 or more separate eligible employments (with different institutions), your response will be forwarded to each of your employers.

Your response will be made on an anonymous basis. If you would like your name and

USS employers consultation - Mozilla Firefox

USS employers consultation

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Your response will be made on an anonymous basis. If you would like your name and details to be associated with the comments you've made, please check this box ☐

or

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There is also a form that you have to fill in (if you are using your NI number and date of birth as identification) to get to the feedback form - this form provides no additional information to respondents.

# Member verification

 [Cymraeg](#)  [English](#)

Please help us to verify you're a member by providing the information requested below:

Date of birth	<input type="text" value="20"/>	<input type="text" value="October"/>	<input type="text" value="1930"/>
National insurance number	<input type="text"/>		
<input type="button" value="Verify"/>			

There are also forms to fill in (a) if you want to use your member number and date of birth as identification, or (b) if you are an eligible non-member. There also do not provide any additional information to respondents.

## USS Employers Consultation

- [Employers](#)
- [Members](#)

### Helpful tools

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#### [Library](#)

Documents on the proposed changes, including the information notice you received from your employer

- 

#### [Q&As](#)

Useful questions and answers on the proposed changes

- 

#### [Glossary](#)

Technical terms explained

- 

#### [Video](#)

Watch the video presentation explaining the proposed changes

- 

#### [Benefit modeller](#)

See how the proposed changes to NPA may affect you

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Your comments on this form are regarded as confidential and are to be considered by your employer and the trustee company (and may also be reviewed by their respective advisers).

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By submitting this form you confirm that you are an active or prospective member of the scheme who is affected by the proposed changes.

Please refer to the information notice regarding the proposed changes which you have received from your employer for a description of each of the following proposed changes. Then make your comments (if any) in the relevant section:

#### 1. Normal pension age of 65

#### 2. Actuarially reduced early retirement benefits



**3. Flexible retirement arrangements**

**4. Contributions and cost sharing arrangements**

**5. Caps on pensions increases and on revaluation of deferred benefits**

**6. New CARE-like benefits section for new entrants**

**7. Other**

If you hold 2 or more separate eligible employments (with different institutions), your response will be forwarded to each of your employers.

Your response will be made on an anonymous basis. If you would like your name and details to be associated with the comments you've made, please check this box ☐.

or

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# Comments on the “*Consultation on Proposals for Changes to USS*” Document Issued by USS.

## Introduction

On Friday 15 October 2010 the USS released a document, “*Consultation on Proposals for Changes to USS*”, that is to be circulated to all USS members.<sup>1</sup> The University has been asked to distribute this consultation paper to active members of the USS who are employed by the University.

As far as I can tell from *The Consultation by Employers Regulations (2006)*, it is the University, as employer, that has the obligation carry out the consultation. The Regulations apparently do not specify the exact detail of the information which must be provided, but a DWP Guidance paper<sup>2</sup> lists a number of matters that should always be considered, and included where appropriate; for instance

- An illustrative worked example to give an indication of how the proposed change will affect the employee’s future pension arrangements.

There are a number of changes proposed by USS. Not all are illustrated, and in one place where there is an illustration it is close to cursory, e.g. see page 11, where it is explained how the CARE scheme will work for new employees, or for employees who take more than a 6 month break.<sup>3</sup> This illustration covers only three years, and does not, say, indicate the size of the final pension, or compare the pension under this scheme with the current final pension scheme. Further there are no illustrative examples of the effect of the proposed cap on increases to pensions, on the cap on revaluation of deferred benefits, or of the cap on the revaluation within the CARE scheme. As indicated below there are a number of other places where an exemplary consultation would include extra facts (e.g. an illustration of the proposed change from RPI to CPI). Indeed, this consultation is far inferior to the one proposed for the CPS (within which, the last time I saw it, there were four or more illustrative worked examples comparing the old scheme, the current scheme and the proposed new CPS scheme).

## Shortcomings

- (a) The most obvious shortcoming in the USS consultation concerns the revaluation of deferred benefits. At present these are increased by RPI, the proposal is to move to CPI with a cap at 2.5%. The CPI has been calculated since 1989, and over that period of 21 years the average<sup>4</sup> CPI has been 2.69%, i.e. more than the cap. No illustration of the impact of the cap is given (let alone an explanation of this very low cap), although the cap could have significant consequences for those with deferred pensions.<sup>5</sup>
- (b) There is also no long-term illustration of a CARE scheme pension, say, compared with a final salary pension. Hence I have modelled an academic career using the University’s pay-scales, RPI as an inflator<sup>6</sup> and assuming the academic has 5 years as a Post-Doc, 10 years as a Lecturer, and 5 years each as a Senior Lecturer, Reader, “basic” Professor, “band 1” Professor and “band 2” Professor (see tables at the end). The detailed results depend on

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1 This can be downloaded from <http://www.ussconsultation.co.uk/newsletter.pdf>. An Employers Pensions Forum paper can also be downloaded (see [http://www.ussconsultation.co.uk/need\\_for\\_reform.pdf](http://www.ussconsultation.co.uk/need_for_reform.pdf)), but there does not seem to be an equivalent paper from the UCU.

2 See <http://www.dwp.gov.uk/docs/occ-personal-pens-schemes-regs06.pdf>.

3 Or in certain circumstances for some employees who take up to a 5 year break.

4 Calculated as a geometric mean.

5 The size of the reduction caused by the cap depends on details. For instance if CPI was consistently capped from 2.69% to 2.5%, then this would only cause a 4% reduction in pension over a 21 year period. However, if the cap is invoked as in the period 1989-2009, then the 6 invocations of the cap would have lead to a 14% reduction in pension over a 21 year period. If compared with the current RPI revaluation then a capped CPI revaluation results in a 25% reduction in pension over a 21 year period.

6 University salaries roughly followed the RPI ... of course other salaries, especially graduate salaries, have exceeded this.

assumptions<sup>7</sup> but the headline figures are

- (i) that the pension is reduced from 50% of final salary to about 30% of final salary (i.e. a 40% reduction in pension);<sup>8</sup>
- (ii) and that this represents an integrated loss of pension of about £300,000 (in 2009 figures), or about 14% of lifetime earnings.

The point has already been made at the Council that cuts in pension have a habit of bobbing up elsewhere; well the “bob up” might end up either as a 15% pay claim, or a need to increase stipends by 15% to remain competitive.

- (c) Next, there is no illustration of the effect of the 5% cap on CPI for pension increases. My calculations suggest that
  - (i) compared with the current RPI inflated pension, a 5% cap on a CPI inflated pension results in a loss of about 160% of one year's pension over a 18 year period<sup>9</sup>;
  - (ii) compared with an uncapped CPI inflated pension, a 5% cap on a CPI results in a loss of about 63% of one year's pension over a 18 year period.<sup>10</sup>

Again, this is that type of information that ought to be provided to active members.

### **The University's Responsibility**

The University has a responsibility to carry out an informed consultation. Even if the University has satisfied the minimum requirements (and it's not clear to me that it has given the paucity of illustrations), the DWP Guidance notes that “there are no restrictions on an employer providing more information if considered appropriate”. I would argue that the University's consultation should be exemplary; at present it is far from so.

To that end I would like to propose that the University should send out supplementary material to staff who are active members of the USS illustrating:

- (a) the effect of the change from RPI to CPI, capped at 2.5%, for revaluation of deferred pensions;
- (b) the effect of changing from a final salary scheme to a CARE scheme, so that an incoming member of staff, or a member of staff who has to rejoin the scheme after a 6-month break, appreciates approximately what pension they will receive;
- (c) the effect of the change from RPI to CPI, capped at 5%, for pension increases.

### **Consultation Feedback**

The University needs to appreciate the effect of the changes on staff.<sup>11</sup> To that end I believe that the University should immediately see the questions that staff will be asked when responding on the USS website, and that if these questions are inadequate the University should run its own consultation, probably including a ballot of active members.

### **Miscellaneous Points**

- (a) The consultation paper is somewhat disingenuous when it comes to the change from RPI to CPI, and attempts to hide behind the phrase “official pensions”. It is true that the rules<sup>12</sup>

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7 For one example I used RPI to increase the CPI sequence from 21 to 40 years, and in another I repeated the CPI sequence for 19 years.

8 The UCU have done a similar calculation for an academic who never gets promoted to Professor; see <http://www.ucu.org.uk/index.cfm?articleid=4573&detailid=4594>. In that case a new starter on or after 1 April 2011 might expect to have a pension of only 70% that of someone who starts on 31 March 2011.

9 I am assuming retirement at 65, with a pension collected for 18 years.

10 To make this up a member of staff might want to delay retirement for 19 months or 8 months depending on whether they compare with RPI or uncapped CPI.

11 One of my colleagues is already advising post-docs, etc. to leave the UK.

12 See <http://www.uss.co.uk/SCHEMEGUIDE/PUBLICATIONSPRESENTATIONS/SCHEMERULES/>.

state that

*Any pension benefits currently payable, or coming into payment, out of the fund (except for any supplementary benefits and GMPs) shall be increased under Part I of the Increase Act as if those benefits were official pensions.*

However, the term RPI appears six times in the rules (e.g. as regards *Supplementary Benefits, Adjustments to Pensionable Salary, and Death in Receipt of an Incapacity Pension*). Are these references to change?

Further, the change from RPI to CPI was made a week or so before the end of the negotiations (as a result of a HMG announcement), hence it is far from clear that this change is necessary in order for the scheme to remain viable. Moreover, official pensions do not seem to have a “cap”, There is nothing to stop the USS Trustees changing rule 15.1 to continue to use RPI (without a cap).

- (b) The USS Trustees really ought to make the precise rule changes available prior to the consultation. The devil is going to be in the detail.

Point	7	8	9	10	11	12	Pay	Age	Pay	Year	RPI	RPI/CPI	RPI Index	RPI/CPI Index	2.5% Cap on CPI
39	1						£27,319	25	£27,319	1949	2.80	2.80	7.38	7.38	
40	2						£28,139	26	£28,139	1950	3.10	3.10	7.83	7.83	
41	3						£28,983	27	£28,983	1951	9.10	9.10	8.54	8.54	
42	4						£29,853	28	£29,853	1952	9.20	9.20	9.32	9.32	
43	5						£30,747	29	£30,747	1953	3.10	3.10	9.61	9.61	
44	6						£31,671	30	£36,715	1954	1.80	1.80	9.79	9.79	
45	7	1					£32,620	31	£37,816	1955	4.50	4.50	10.23	10.23	
46	8	2					£33,600	32	£38,951	1956	4.90	4.90	10.73	10.73	
47	9	3					£34,607	33	£40,119	1957	3.70	3.70	11.12	11.12	
48	10	4					£35,646	34	£41,323	1958	3.00	3.00	11.46	11.46	
49	11*	5	1				£36,715	35	£42,563	1959	0.60	0.60	11.53	11.53	
50	12*	6	2				£37,816	36	£43,840	1960	1.00	1.00	11.64	11.64	
51	13*	7	3				£38,951	37	£45,155	1961	3.40	3.40	12.04	12.04	
52	14*	8	4				£40,119	38	£46,510	1962	4.30	4.30	12.56	12.56	
53		9	5				£41,323	39	£46,510	1963	2.00	2.00	12.81	12.81	
54		10	6				£42,563	40	£49,342	1964	3.30	3.30	13.23	13.23	
55		11	7				£43,840	41	£50,822	1965	4.80	4.80	13.86	13.86	
56		12*	8				£45,155	42	£52,347	1966	3.90	3.90	14.41	14.41	
57		13*	9				£46,510	43	£52,347	1967	2.50	2.50	14.77	14.77	
58		14*	10*				£47,905	44	£52,347	1968	4.70	4.70	15.46	15.46	
59			11*	1			£49,342	45	£55,535	1969	5.40	5.40	16.29	16.29	
60			12*	2			£50,822	46	£55,535	1970	6.40	6.40	17.34	17.34	
61			13*	3			£52,347	47	£55,535	1971	9.40	9.40	18.97	18.97	
62				4*	1*		£53,918	48	£55,535	1972	7.10	7.10	20.31	20.31	
63				5*	2*		£55,535	49	£55,535	1973	9.20	9.20	22.18	22.18	
64				6*	3*		£57,201	50	£64,379	1974	16.00	16.00	25.73	25.73	
65					4*		£58,918	51	£64,379	1975	24.20	24.20	31.96	31.96	
66					5*		£60,685	52	£64,379	1976	16.50	16.50	37.23	37.23	
67					6*		£62,506	53	£64,379	1977	15.80	15.80	43.11	43.11	
68					*		£64,379	54	£64,379	1978	8.30	8.30	46.69	46.69	
69					CB1*		£66,311	55	£66,311	1979	13.40	13.40	52.95	52.95	
70					*		£68,300	56	£66,311	1980	18.00	18.00	62.48	62.48	
71					*		£70,350	57	£66,311	1981	11.90	11.90	69.91	69.91	
72					*		£72,462	58	£66,311	1982	8.60	8.60	75.93	75.93	
73					*		£74,634	59	£66,311	1983	4.60	4.60	79.42	79.42	
74					CB1*		£76,873	60	£79,180	1984	5.00	5.00	83.39	83.39	
75					CB2*		£79,180	61	£79,180	1985	6.10	6.10	88.48	88.48	
76					*		£81,555	62	£79,180	1986	3.40	3.40	91.49	91.49	
77					*		£84,003	63	£79,180	1987	4.20	4.20	95.33	95.33	
78					*		£86,522	64	£79,180	1988	4.90	4.90	100.00	100.00	100.00
79					*		£89,118			1989	7.80	5.20	107.80	105.20	102.50
80					CB2*		£91,792			1990	9.50	7.00	118.04	112.56	105.06
81					CB3*		£94,545			1991	5.90	7.50	125.01	121.01	107.69
82					*		£97,381			1992	3.70	4.30	129.63	126.21	110.38
83					*		£100,303			1993	1.60	2.50	131.70	129.36	113.14
84					*		£103,312			1994	2.40	2.00	134.87	131.95	115.40
85					*		£106,411			1995	3.50	2.60	139.59	135.38	118.29
86					CB3*		£109,602			1996	2.40	2.50	142.94	138.77	121.25
87					CB4*		£112,892			1997	3.10	1.80	147.37	141.27	123.43
88					*		£116,279			1998	3.40	1.60	152.38	143.53	125.40
89					*		£119,767			1999	1.50	1.30	154.66	145.39	127.03
90					*		£123,361			2000	3.00	0.80	159.30	146.55	128.05
91					*		£127,061			2001	1.80	1.20	162.17	148.31	129.59
92					CB4*		£130,872			2002	1.70	1.30	164.93	150.24	131.27
										2003	2.90	1.40	169.71	152.34	133.11
										2004	3.00	1.30	174.80	154.33	134.84
										2005	2.80	2.10	179.70	157.57	137.67
										2006	3.20	2.30	185.45	161.19	140.84
										2007	4.30	2.30	193.42	164.90	144.08
										2008	4.00	3.60	201.16	170.83	147.68
										2009	-0.50	2.20	200.15	174.59	150.93
										Geometric Mean 1970-2009	6.4715				
										Geometric Mean 1989-2009	3.3595	2.6892			

RPI <http://www.statistics.gov.uk/StatBase/tsdataset.asp?vlnk=7172&More=N&All=Y>  
CPI <http://www.statistics.gov.uk/statbase/tsdataset.asp?vlnk=7174>

Age	Pay (2009)	RPI+ Index	RPI/CPI	Pension Inflator	RPI+ Pay	Final Salary Pension (RPI)	CARE Pension Earned	Plus Previous Year's Pension Revalued	Cumulative Total Pension Accrued		
25	£27,319	100.00	6.40	5.70	£27,319	0.0125	£341	£0	£341		
26	£28,139	106.40	9.40	7.20	£29,940	0.0125	£374	£361	£735		
27	£28,983	116.40	7.10	6.05	£33,737	0.0125	£422	£788	£1,210		
28	£29,853	124.67	9.20	7.10	£37,217	0.0125	£465	£1,283	£1,748		
29	£30,747	136.14	16.00	7.50	£41,858	0.0125	£523	£1,872	£2,396		
30	£36,715	157.92	24.20	7.50	£57,979	0.0125	£725	£2,575	£3,300		
31	£37,816	196.13	16.50	7.50	£74,170	0.0125	£927	£3,548	£4,475		
32	£38,951	228.49	15.80	7.50	£89,001	0.0125	£1,113	£4,810	£5,923		
33	£40,119	264.60	8.30	6.65	£106,154	0.0125	£1,327	£6,367	£7,694		
34	£41,323	286.56	13.40	7.50	£118,415	0.0125	£1,480	£8,206	£9,686		
35	£42,563	324.96	18.00	7.50	£138,312	0.0125	£1,729	£10,412	£12,141		
36	£43,840	383.45	11.90	7.50	£168,104	0.0125	£2,101	£13,052	£15,153		
37	£45,155	429.08	8.60	6.80	£193,751	0.0125	£2,422	£16,289	£18,711		
38	£46,510	465.98	4.60	4.60	£216,728	0.0125	£2,709	£19,984	£22,693		
39	£46,510	487.42	5.00	5.00	£226,697	0.0125	£2,834	£23,737	£26,570		
40	£49,342	511.79	6.10	5.55	£252,526	0.0125	£3,157	£27,899	£31,055		
41	£50,822	543.01	3.40	3.40	£275,967	0.0125	£3,450	£32,779	£36,229		
42	£52,347	561.47	4.20	4.20	£293,912	0.0125	£3,674	£37,460	£41,134		
43	£52,347	585.05	4.90	4.90	£306,256	0.0125	£3,828	£42,862	£46,690		
44	£52,347	613.72	5.20	5.10	£321,263	0.0125	£4,016	£48,978	£52,994		
45	£55,535	661.59	7.00	6.00	£367,413	0.0125	£4,593	£55,696	£60,289		
46	£55,535	724.44	7.50	6.25	£402,317	0.0125	£5,029	£63,906	£68,935		
47	£55,535	767.18	4.30	4.30	£426,054	0.0125	£5,326	£73,244	£78,569		
48	£55,535	795.57	2.50	2.50	£441,818	0.0125	£5,523	£81,948	£87,471		
49	£55,535	808.30	2.00	2.00	£448,887	0.0125	£5,611	£89,657	£95,268		
50	£64,379	827.69	2.60	2.60	£532,861	0.0125	£6,661	£97,174	£103,835		
51	£64,379	856.66	2.50	2.50	£551,511	0.0125	£6,894	£106,534	£113,428		
52	£64,379	877.22	1.80	1.80	£564,748	0.0125	£7,059	£116,264	£123,323		
53	£64,379	904.42	1.60	1.60	£582,255	0.0125	£7,278	£125,543	£132,821		
54	£64,379	935.17	1.30	1.30	£602,052	0.0125	£7,526	£134,946	£142,472		
55	£66,311	949.20	0.80	0.80	£629,421	0.0125	£7,868	£144,324	£152,192		
56	£66,311	977.67	1.20	1.20	£648,303	0.0125	£8,104	£153,409	£161,513		
57	£66,311	995.27	1.30	1.30	£659,973	0.0125	£8,250	£163,451	£171,701		
58	£66,311	1012.19	1.40	1.40	£671,192	0.0125	£8,390	£173,933	£182,323		
59	£66,311	1041.54	1.30	1.30	£690,657	0.0125	£8,633	£184,876	£193,509		
60	£79,180	1072.79	2.10	2.10	£849,434	0.0125	£10,618	£196,024	£206,642		
61	£79,180	1102.83	2.30	2.30	£873,218	0.0125	£10,915	£210,982	£221,897		
62	£79,180	1138.12	2.30	2.30	£901,161	0.0125	£11,265	£227,001	£238,265		
63	£79,180	1187.06	3.60	3.60	£939,911	0.0125	£11,749	£243,745	£255,494		
64	£79,180	1234.54	2.20	2.20	£977,507	0.0125	£12,219	£264,692	£276,911		
65		1234.54				£488,754			£283,003		
Total Earnings	£2,148,773					Pension (RPI deflated)	Percentage of Pension	Percentage of Total Earnings	Pension (RPI deflated)	Fail in Pension	Percentage of Total Earnings
						£39,590.00			£22,923.79	42.10%	
Loss over 18 years due to change to CPI (1992-2009)						£31,360.19	79.21%	1.46%			
Loss over 18 years due to change to CPI (1989-2009 averaged)						£37,953.92	95.87%	1.77%			
Loss over 18 years due to change to CPI (1989-2009 capped and averaged)						£62,877.41	158.82%	2.93%			
Loss over 18 years due to CARE									£299,991.85		13.96%
Loss over 18 years due to CARE and CPI (1992-2009)									£318,150.33		14.81%
Loss over 18 years due to CARE and CPI (1989-2009 averaged)									£321,968.29		14.98%
Loss over 18 years due to CARA and CPI (1989-2009 capped and averaged)									£336,399.73		15.66%

Age	Pay (2009)	RPI+ Index	CPI	Pension Inflator	RPI+ Pay	Final Salary Pension (RPI)	CARE Pension Earned	Plus	Cumulative Total Pension Accrued		
								Previous Year's Pension Revalued			
25	£27,319	100.00	7.50	6.25	£27,319	0.0125	£341	£0	£341		
26	£28,139	105.90	4.30	4.30	£29,799	0.0125	£372	£363	£735		
27	£28,983	109.82	2.50	2.50	£31,829	0.0125	£398	£767	£1,165		
28	£29,853	111.58	2.00	2.00	£33,309	0.0125	£416	£1,194	£1,610		
29	£30,747	114.25	2.60	2.60	£35,129	0.0125	£439	£1,642	£2,082		
30	£36,715	118.25	2.50	2.50	£43,416	0.0125	£543	£2,136	£2,678		
31	£37,816	121.09	1.80	1.80	£45,791	0.0125	£572	£2,745	£3,318		
32	£38,951	124.84	1.60	1.60	£48,628	0.0125	£608	£3,377	£3,985		
33	£40,119	129.09	1.30	1.30	£51,789	0.0125	£647	£4,049	£4,696		
34	£41,323	131.02	0.80	0.80	£54,143	0.0125	£677	£4,758	£5,434		
35	£42,563	134.96	1.20	1.20	£57,441	0.0125	£718	£5,478	£6,196		
36	£43,840	137.38	1.30	1.30	£60,230	0.0125	£753	£6,270	£7,023		
37	£45,155	139.72	1.40	1.40	£63,091	0.0125	£789	£7,114	£7,903		
38	£46,510	143.77	1.30	1.30	£66,869	0.0125	£836	£8,014	£8,849		
39	£46,510	148.09	2.10	2.10	£68,875	0.0125	£861	£8,965	£9,825		
40	£49,342	152.23	2.30	2.30	£75,114	0.0125	£939	£10,032	£10,971		
41	£50,822	157.10	2.30	2.30	£79,843	0.0125	£998	£11,223	£12,221		
42	£52,347	163.86	3.60	3.60	£85,775	0.0125	£1,072	£12,502	£13,574		
43	£52,347	170.41	2.20	2.20	£89,206	0.0125	£1,115	£14,063	£15,178		
44	£52,347	170.41	5.20	5.10	£89,206	0.0125	£1,115	£15,512	£16,627		
45	£55,535	183.71	7.00	6.00	£102,021	0.0125	£1,275	£17,475	£18,750		
46	£55,535	201.16	7.50	6.25	£111,713	0.0125	£1,396	£19,875	£21,272		
47	£55,535	213.03	4.30	4.30	£118,304	0.0125	£1,479	£22,601	£24,080		
48	£55,535	220.91	2.50	2.50	£122,681	0.0125	£1,534	£25,115	£26,649		
49	£55,535	224.44	2.00	2.00	£124,644	0.0125	£1,558	£27,315	£28,873		
50	£64,379	229.83	2.60	2.60	£147,961	0.0125	£1,850	£29,451	£31,300		
51	£64,379	237.87	2.50	2.50	£153,140	0.0125	£1,914	£32,114	£34,028		
52	£64,379	243.58	1.80	1.80	£156,815	0.0125	£1,960	£34,879	£36,839		
53	£64,379	251.13	1.60	1.60	£161,677	0.0125	£2,021	£37,502	£39,523		
54	£64,379	259.67	1.30	1.30	£167,174	0.0125	£2,090	£40,156	£42,245		
55	£66,311	263.57	0.80	0.80	£174,773	0.0125	£2,185	£42,794	£44,979		
56	£66,311	271.47	1.20	1.20	£180,017	0.0125	£2,250	£45,339	£47,589		
57	£66,311	276.36	1.30	1.30	£183,257	0.0125	£2,291	£48,160	£50,451		
58	£66,311	281.06	1.40	1.40	£186,372	0.0125	£2,330	£51,107	£53,437		
59	£66,311	289.21	1.30	1.30	£191,777	0.0125	£2,397	£54,185	£56,582		
60	£79,180	297.88	2.10	2.10	£235,865	0.0125	£2,948	£57,317	£60,266		
61	£79,180	306.23	2.30	2.30	£242,469	0.0125	£3,031	£61,531	£64,562		
62	£79,180	316.02	2.30	2.30	£250,228	0.0125	£3,128	£66,047	£69,175		
63	£79,180	329.61	3.60	3.60	£260,988	0.0125	£3,262	£70,766	£74,028		
64	£79,180	342.80	2.20	2.20	£271,428	0.0125	£3,393	£76,693	£80,086		
65		342.80				£135,714			£81,848		
Total Earnings	£2,148,773					Pension (RPI deflated)	Percentage of Pension	Percentage of Total Earnings	Pension (RPI deflated)	Fail in Pension	Percentage of Total Earnings
						£39,590.00			£23,876.45	39.69%	
Loss over 18 years due to change to CPI (1992-2009)						£31,360.19	79.21%	1.46%			
Loss over 18 years due to change to CPI (1989-2009 averaged)						£37,953.92	95.87%	1.77%			
Loss over 18 years due to change to CPI (1989-2009 capped and averaged)						£62,877.41	158.82%	2.93%			
Loss over 18 years due to CARE									£282,843.94		13.16%
Loss over 18 years due to CARE and CPI (1992-2009)									£301,757.05		14.04%
Loss over 18 years due to CARE and CPI (1989-2009 averaged)									£305,733.68		14.23%
Loss over 18 years due to CARE and CPI (1989-2009 capped and averaged)									£320,764.86		14.93%