

# UNITE DELIVERS THE RIGHT RESULT FOR YOU

## CLYDESDALE BANK PENSION SCHEME EARLY RETIREMENT QUOTES

Unite received a number of calls in from members concerned about the quotes they had received from Xafinity Paymaster in relation to early retirement enquiries. In most cases, the figures they had been given for lump sum and pension payments were substantially lower than previous quotes and what the members anticipated. This was because the Trustees implemented changes to the early retirement factors which the Group were not made fully aware of.

There had been no communication out to scheme members nor had Unite been informed of these changes which were taking place at a time when a number of staff were looking at early retirement options given the change in minimum retirement age to 55 from 6th April 2010. Following representations from Unite, the matter has now been resolved and changes to the early retirement factors have been put on hold until 1st October 2010. We have set out below the position as clearly as possible and would urge you to make as many members as possible aware of the changes that have been made so they can make an informed choice regarding their early retirement options.

### WHAT ARE THE CHANGES TO PENSION LEGISLATION FROM 6TH APRIL 2010?

Currently staff can retire through early retirement or flexible retirement at 50. However, from 6th April 2010, the earliest age you can retire will be 55 except if you are a pre 1976 scheme member. The latter group retain the right to retire at 50 after 6th April whether retirement is voluntary or on account of redundancy because of Pension Scheme rules relating to this particular group.

NAG have put out a number of communications inviting applications from staff members over 50 and under 55 who would like to exercise this option before the new legislation kicks in. The problems began when people received quotes which were much lower than their previous quotes or what they had anticipated.

### UNITE REPRESENTATIONS – YOUR UNION MAKES A DIFFERENCE

Unite made representations on the matter and sent in a number of examples of quotes received by members. Following an investigation by the Group, it transpired that the Trustees had changed the early retirement factors' calculation but Group Pensions were not fully aware of the process and Unite had not been informed of the change. The impact of this change in the factors was that some members' quotes were much less than they anticipated. An agreed position has now been set out which will be communicated to all Clydesdale Bank Scheme members who asked for a quote and those who have retired and these are set out below.

The business has also provided a response to the questions raised by this matter:

"The CYB pension scheme currently uses a number of actuarial factors to determine the amounts payable to members when they retire early, give up part of their pension for a tax free lump sum or decide to transfer their benefits to another scheme. As part of the next actuarial valuation which is scheduled to begin on 1st October 2010 all of the actuarial factors used by the scheme will be reviewed and it is possible that some of these may well change. At this point, whilst it is hard to say what the exact impact of those changes would be, it has been confirmed that, should any new early retirement factors be introduced, then these will be on a cost neutral basis. Once the review of factors has been completed and agreed, which is not expected to be finalised until the end of 2010 at the earliest, then members will be given further information regarding this."

Mary Alexander, UNITE National Secretary  
Tel: 0141 404 1850

### WHAT HAS BEEN THE GROUP AND TRUSTEES RESPONSE TO OUR REPRESENTATIONS?

- The previous calculation basis will be reinstated for all new quotations.
- Any retirements that have occurred since the new basis will be revisited. If the old basis would have given a higher pension in payment, members will be given the higher amount.
- All early retirement quotations issued since the new basis was implemented will be revisited. If the old basis would have given a higher pension payment, members will be advised of this.
- The deadline date for applications for early retirement has been extended to 19th March 2010.

The Clydesdale Bank Scheme Administrators Xafinity Paymaster are currently working through the paperwork and members of the scheme aged between 50 and 55 will be contacted as a priority ahead of 5th April. All other affected members will be contacted over the next couple of weeks. Xafinity Paymaster can be contacted directly on 01293 604 433 or by email on [nagpensions@xafinitypaymaster.co.uk](mailto:nagpensions@xafinitypaymaster.co.uk). Unite has asked for a full explanation regarding the change in the calculation of factors. We are also concerned at the timing of the change applied and the lack of communication around this to scheme members who have a right to know if their pension or lump sum payment will be adversely affected.

#### Deferred members:

***There are a number of scheme members who have been outsourced to other companies and are now treated as deferred members. Whilst there will be a difference in the calculation outcome for deferred as opposed to active members (active being current staff members), their quotes will be revisited and adjusted as per the agreed outcomes above. The new deadline date also applies.***

#### If you have any queries or concerns please contact:

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