

Date: February 2013

## THALES UK PENSION SCHEME Member Announcement Review of Actuarial Factors

Dear Member,

The scheme is currently undergoing its second formal actuarial valuation, the results of which are expected later this year. Part of this process is a review of some of the actuarial factors that are used to calculate parts of your pension in certain circumstances. The Trustees and Scheme Actuary have the duty to review a number of the factors inherited from the legacy pension schemes (Racal, Thomson etc.). Other factors, including all the factors related to CARE service built up since 31 December 2007, are not affected by this review as these factors have fixed values stated in the rules.

The factors subject to review relate to early and late retirement and the factor used to swap pension for tax free lump sum at retirement (commutation factor). In all cases the Trustee and Actuary have worked on the principle that all factors should be maintained at a reasonable level. Generally the decision has been taken to adjust late retirement factors to better align with current conditions, to not change early retirement factors and to improve some commutation factors.

Due to the numerous and complex nature of the legacy benefits the detail on which factors have been reviewed and changed has been broken down by legacy scheme on the scheme member web site. The web address is: <http://thales.xpmemberservices.com>

It is intended that these changes come into effect for all pension quotations issued from the 1 March 2013 and where the effective date of retirement is on or after 1 April 2013. Please be aware if you have an existing pension quotation for a retirement date on or after the 1 April 2013 this may be affected by these changes and you should contact the scheme administrator or use the online quotation tool also available on the member web site to obtain a new quotation from 1 March 2013 onwards.

The contact address for any queries is Thales Pensions Administration, Xafinity Paymaster, Sutherland House, Russell Way, Crawley, West Sussex RH10 1UH. Alternatively, you can e-mail us at [thales@xafinitypaymaster.com](mailto:thales@xafinitypaymaster.com) or telephone us on 01293 603060.

Yours faithfully,



Philip Cameron  
Secretary to the Trustee