

## **Early Retirement Factors : Change in the Discount Rate : November 2011**

As with the other GAD factors which we have been changing since November 2011 the important influence was the decision to change the discount rate as announced by HMT at the end of October 2011 (without any notice and with immediate effect).

You will need to consider at present each case on its merits. I say that because you may have someone retiring on or around the date of the new guidance whose retirement decisions has been arrived at on the basis of the earlier guidance. If it can be demonstrated that the decision was influenced by the advice provided then you have to consider continuing on that basis - ie honouring the terms as "advertised". New cases should all be dealt with under the new guidance.

In the light of the legal challenges on the RPI/CPI issue GAD is taking a very black and white approach to this provision of advice. Sometimes I, in my capacity as a regulator and overall Scheme manager, have to give certain pragmatic considerations to the operation of the Scheme.

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