

## Appendix to South Western Electricity (SWEB Group) / Western Power Group / Western Power Distribution Group Questionnaire

**Table 6.1 - Changes to Scheme Benefits**

Effective Date	Group(s) of members affected	Reason for change	Consequential or associated changes	Benefits/costs savings and effect on scheme surplus	Decreases in member contribution rates
01-Apr-1992	Contributing and deferred members	<p><b>Miscellaneous amendment to facilitate block transfer of members</b></p> <p>Introduction of a block transfer rule enabling groups of members to be transferred into the scheme on "block" from other pension arrangements.</p>	N/A	N/A	N/A
01-Apr-1992	All members	<p><b>To apply valuation surplus</b></p> <p>Removal of National Insurance modification for both current and future pensioners - In December 1978 members were reminded of the reduction in their pension contributions to take account of part of their pension under the State Pension Scheme. The reduction in contributions was matched by a reduction in the members scheme pension when the member reached age 60 (female) / 65 (male). With effect from 1 April 1979 the reduction in contribution was removed which meant that the matching reduction in members pension would only apply to any service prior to 1 April 1979. From 1 April 1992 this remaining liability for any service up to 31 March 1979 was removed.</p>	N/A	£1.5m use of surplus arising from 31-Mar-1992 valuation.	N/A
01-Apr-1992	All members	<p><b>To apply valuation surplus</b></p>	N/A	£3.9m use of surplus arising from 31-Mar-1992	N/A

Effective Date	Group(s) of members affected	Reason for change	Consequential or associated changes	Benefits/costs savings and effect on scheme surplus	Decreases in member contribution rates
		Improvement in children's allowance to one half of the widow(er)s pension.		valuation allocated to this and the extension of the spouse's pension below.	
01-Apr-1992	Contributing members	<b>To apply valuation surplus</b>  Continue to fund the option for contributing members to increase the spouse's pension from one half of the member's pension to 2/3rds for future service with the employer meeting half the cost.	N/A	£3.1m use of surplus arising from 31-Mar-1992 valuation.	N/A
Nov-1994	All members	<b>To apply valuation surplus</b>  Extension of the spouse's pension to a person who is not a legal spouse. The decision was taken by the group trustees to recommend a change. The payment of the pension is subject to the group trustees' discretion.	N/A	See above.	N/A
01-Apr-1995	Deferred members	<b>To apply valuation surplus</b>  Improve the death benefit for deferred pensioners to eight times frozen pension at the date of death. In practice this payment was the net lump sum plus five times the annual pension. Previously the death benefit for deferred members was the member's contributions plus compound interest calculated to the date of death.	N/A	£0.5m use of surplus arising from 31-Mar-1995 valuation.	N/A
01-Apr-1995	Contributing and deferred	<b>Miscellaneous amendments</b>	N/A	None	N/A

Effective Date	Group(s) of members affected	Reason for change	Consequential or associated changes	Benefits/costs savings and effect on scheme surplus	Decreases in member contribution rates
	members	<p><b>(a) to preserve existing pensionable salary</b>  <b>(b) to facilitate block transfer of members</b></p> <p>Amendment to definition of salary to avoid any adverse affect on benefits through the introduction by the Company of a Profited Related Pay Scheme (which ceased 1 April 2000).</p> <p>Introduction of a block transfer out rule enabling groups of members to be transferred on "block" to other pension arrangements.</p>			
26-Jul-1995	All members	<p><b>This was the date of the deed of amendment implementing the "Barber" equalisation amendments for pre 17 May 1990 service.</b></p> <p>This was equalising benefits for male and female members who were in continuous employment since 31 March 1988. 1 April 1988 being the date when the ESPS introduced a common normal retirement age of 63 for all new members on or after that date.</p> <p>Members in continuous employment on 31 March 1988 and remained in continuous employment on 17 May 1990 ceased contributions on reaching age 60.</p> <p>"Barber" discounting introduced for Pre 1988 male members. Benefits are reduced for the period up to 16 May 1990 where a Pre 88 male member retires at their normal retirement of age 60 or between age</p>	N/A	Any potential Barber costs had been provisioned in previous valuations.	N/A

Effective Date	Group(s) of members affected	Reason for change	Consequential or associated changes	Benefits/costs savings and effect on scheme surplus	Decreases in member contribution rates
		60 and 63.  Additional death in service benefit scale amended from age 55 to age 60 or over.			
Nov / Dec 1995	Contributing members	<b>To apply valuation surplus</b>  To offer qualifying contributing members the option to buy between 6 months and 2 years worth of additional years service where previous rules prevented them from joining the Scheme at the entry age provided for in the current rules. This option was offered to both former Staff Scheme and Industrial Scheme members as a one off option. The balance of the cost being met from the use of surplus arising from the 31-March-1995 valuation.	N/A	£2.8m use of surplus arising from 31-Mar-1995 valuation.	N/A
1 April 1997	Pensioners and Deferred members	<b>To apply valuation surplus</b>  To increase the guaranteed level of pensions increase from 5 to 7½% (or the increase in the Retail Price Index, if less) for April 1997, 1998, and 1999, with the Company committed to increase the guarantee above 7½% in the latter years if inflation remained low in the earlier years. (subject to adequate funding).	N/A	£4.9m use of surplus arising from 31-Mar-1995 valuation.	N/A
01-Apr-1998	All members	<b>To apply valuation surplus</b>  Increase in spouses' pension by 8.5% from 1 April 1998 – subject to Inland Revenue limits. All spouse's pensions were increased by 8.5% subject	N/A	£7.3m use of surplus arising from 31-Mar-1998 valuation.	N/A

Effective Date	Group(s) of members affected	Reason for change	Consequential or associated changes	Benefits/costs savings and effect on scheme surplus	Decreases in member contribution rates
		to Inland Revenue limits. In basic terms, for the majority of members the spouse's pension increased from 50% of the member's pension to 54.25% of the member's pension.			
01-Apr-1999	Pensioners and deferred members	<b>To apply valuation surplus</b> Pensions increase from 1 April 1999 to reflect 3% 'catch-up'. The Inland Revenue introduced a relaxation in the pensions increase rule that in any year where a pension increase is below 3% the scheme could pay up to 3% in that year. The total increase payable to pensions (both in payment and deferment) was 2.9% for those pensions which were deemed to commence on or before 1 April 1993 decreasing on a sliding scale to 0.1% to those pensions that commenced from 2 February 1997 to 1 March 1997.	N/A	£9.1m use of surplus arising from 31-Mar-1998 valuation.	N/A
01-Apr-1999	Contributing members	<b>To apply valuation surplus</b> Contribution reduction for SWEB employee members by 1.5% for a three-year period. The reduction applied to all contributing members who were paying a normal contribution irrespective of the rate the contributing member paid.	N/A	£1.7m use of surplus arising from 31-Mar-1998 valuation.	No direct increase in the employer contribution rates.
May - 1999	Pensioners	<b>To apply valuation surplus</b> Advance of pensions' payday by one month. The group trustees were keen to make some form of lump sum payment to pensioners and dependants.	N/A	£4.1m use of surplus arising from 31-Mar-1998 valuation.	N/A

Effective Date	Group(s) of members affected	Reason for change	Consequential or associated changes	Benefits/costs savings and effect on scheme surplus	Decreases in member contribution rates
		This was achieved by making two pension payments in one month to those pensioners and dependants who were not already being paid in advance. It should be noted that a small number of pensioners (former industrial staff members) were already being paid in advance. Now when a pension comes into payment, the member receives two pension payments in the first month.			
01-Apr-2000	Pensioners and deferred members	<p><b>To apply valuation surplus</b></p> <p>Pensions increase from 1 April 2000 to reflect 3% 'catch-up'. The Inland Revenue introduced a relaxation in the pensions increase rule that in any year where a pension increase is below 3% the scheme could pay up to 3% in that year. The total increase payable to pensions (both in payment and deferment) was 1.9% for those pensions which were deemed to commence on or before 2 April 1999 decreasing on a sliding scale to 0.2% to those pensions that commenced from 2 February 2000 to 1 March 2000.</p>	N/A	£11.1m use of surplus arising from 31-Mar-2001 valuation.	N/A
1-Jul-2000	Part-time members	<p><b>Equal treatment for part-time members effective from this date.</b></p> <p>Access to pension schemes for part-time employees previously precluded from joining the scheme following decision by the European Court of Justice.</p> <p>Part-time members able to purchase added years of service and qualify for balance of year service</p>	N/A	Company provisioned £500k to be paid into the scheme as and when the number of part-time claims settled.	N/A

Effective Date	Group(s) of members affected	Reason for change	Consequential or associated changes	Benefits/costs savings and effect on scheme surplus	Decreases in member contribution rates
01-Apr-2002	Contributing members	<p>"make-up".</p> <p><b>To apply valuation surplus for the alignment of pension benefits following the merger of the Western Power Group and the South Wales Group</b></p> <p>Improve the lump sum payable on death in service to four times pensionable salary from 1 April 2002. Previously this was 3 times pensionable salary.</p>	N/A	£0.5m use of surplus arising from 31-Mar-2001 valuation.	N/A
01-Apr-2002	Contributing members	<p><b>To apply valuation surplus</b></p> <p>Contribution reduction for employee members by 1% for a three-year period. The reduction applied to all contributing members who were paying a normal contribution irrespective of the rate the contributing member paid.</p>	N/A	£1.0m use of surplus arising from 31-Mar-2001 valuation.	No direct increase in the employer contribution rates.
1-Apr-2002	Contributing and deferred members	<p><b>Alignment of pension benefits following the merger of the Western Power Group and the South Wales Group</b></p> <p>On reaching age 50 members can request to retire early but with discounted benefits. Deferred members may request payment of deferred benefits before normal pension age but with discounted benefits.(alignment of benefits)</p>	N/A	N/A	N/A
5-Feb-2004	Contributing and deferred members	<p><b>Miscellaneous amendment</b></p> <p>Members with AVC funds able to purchase additional benefits (by way of member pension</p>	N/A	N/A	N/A

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		and/or dependant's pension within the scheme).			
5- Dec-2005	All Members	<p><b>Civil Partnership Legislation</b></p> <p>As a result of the introduction of Civil Partnership legislation the scheme was amended to provide the equivalent of a spouse's pension to Civil Partners for all service where applicable.</p>	N/A	Any costs included in the 2007 valuation assumptions.	N/A
6 Apr-2006	All members	<p><b>Legislative changes as a result of the Pensions Act 2004 and the Finance Act 2004.</b></p> <p>References within the scheme rules to age 50 were amended to age 55 for any person becoming a member on or after 6 April 2006.</p> <p>Members who start paying AVC's able to pay up to 100% of taxable earnings. For existing AVC contributors at 6 April 2006 any excess contribution over 15% paid into a new AVC account. AVC funds able to be taken as cash at retirement subject to the overall limit of total cash available being 25% of the members total pension benefits.</p> <p>Members able to take more cash subject to the overall limit of total cash available being 25% of the members total pension benefits.</p> <p>On death in service a Spouse or civil partner entitled to exchange the pension element for cash.</p> <p>Limit of small (trivial) pensions increased to allow members to exchange scheme benefits for a one-off</p>	N/A	Any costs included in the 2007 valuation assumptions.	N/A



Effective Date	Group(s) of members affected	Reason for change	Consequential or associated changes	Benefits/costs savings and effect on scheme surplus	Decreases in member contribution rates
		<p>lump sum.</p> <p>Early leavers having completed three months and one year of service entitled to a refund of contributions or a transfer value paid to another pension arrangement.</p>			
4-Sep-2007	All members	<p><b>Miscellaneous amendments - including age discrimination</b></p> <p>New entrants after 4 September 2007 not able to pay reduced rate contributions of 3%.</p> <p>Qualification for balance of year "make-up" reduced from nine years to five years.</p> <p>Additional death in service benefit scale amended to cover all ages.</p> <p>Children's allowance age increased from 18 to 23 years where applicable.</p>	N/A	Any costs included in the 2007 valuation assumptions.	N/A
24-Apr-2008	Contributing and deferred members	<p><b>Miscellaneous amendment</b></p> <p>Members able to transfer AVC funds to another a retirement benefit scheme or personal pension separate to main scheme benefits.</p>	N/A	N/A	N/A