

Following our actuarial valuation as at 1 April 2006, the Coats Pensions Office has issued a Summary Funding Statement to all of our members. This will be distributed in mid-January 2007. All the information members should need is within the statement.

We have included information on the new cash commutation factors which are applied when a member retires from the Pension Plan and has the option to give up (commute) part of his pension for cash. After taking advice from the Actuary, these factors have been improved as at 1 January 2007, which means that the amount of pension a member has to commute to get a cash amount is less. This leaves the member with a higher pension amount. **NB** This affects only those members who have not yet taken their benefits – obviously anyone who has already taken their cash sums is not affected by the change.

The old factors, and the new improved factors, together with the percentage increase, are shown below. The age column relates to the age at which you retire, and is calculated to the nearest month. This means that if, for example, a member retires at 50 years and 6 months, the factor used to calculate his cash amount will be between the factor listed for age 50 and 51.

Age	Previous Plan Commutation Factor (before 1/1/07)	New Plan Commutation Factor (effective from 1/1/07)	Increase on existing factor
50	14.52	15.82	9.0%
51	14.25	15.57	9.3%
52	13.99	15.22	8.8%
53	13.71	14.92	8.8%
54	13.44	14.59	8.6%
55	13.17	14.24	8.1%
56	12.89	13.88	7.7%
57	12.61	13.56	7.5%
58	12.34	13.20	7.0%
59	12.06	12.87	6.7%
60	11.79	12.49	5.9%
61	11.51	12.14	5.5%
62	11.23	11.76	4.7%
63	10.95	11.39	4.0%
64	10.67	11.04	3.5%
65	10.39	10.66	2.6%
66	10.11	10.35	2.4%
67	9.83	10.02	1.9%
68	9.55	9.69	1.5%
69	9.27	9.34	0.8%
70	9.00	9.03	0.3%

If you would like more information, please contact the Pensions Office on 0141 207 6800.