

**News Release**

**6 April 2009**

## **Changes to revaluation in deferment and validity of certificates of Broad Comparability**

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Under the Pensions Act 2008 occupational pension schemes will be allowed to cap the revaluation of deferred benefits at 2.5% a year over the period of deferment for benefits accruing after 6 April 2009. We would like to remind contractors and contracting authorities that where changes are made to the contractor's scheme before a certificate expires; a new certificate may be required for employees that are still public servants at the time of the change. This is stated in the notes on certificates of broad comparability. Were a contractor to cut the cap on revaluation of deferred benefits below the level described in their current passport certificate, then that passport certificate would be withdrawn pending a reassessment of the broad comparability of the benefit package as a whole. In practice we expect that it will be difficult for contractors to come up with a sufficiently valuable benefit structure in other areas to compensate for a reduction of the cap on revaluation of deferred benefits to the new minimum level.