



## MEMBER ANNOUNCEMENT

# Change to Commutation Factors

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Following a routine review, and after taking advice from the Group Actuary, the EDFG Trustee has decided to change the commutation Factors, used to convert pension at retirement into a Pension Commencement Lump Sum (often called tax free cash). The new factors were implemented with effect from 17 February 2025.

In order to ensure the factors remain cost neutral (i.e. they do not become an additional strain on EDFG), in some cases, the change will see a significant reduction in the Commutation Factors. This means more pension will be needed to convert pension into a Pension Commencement Lump Sum at retirement.

Transitional arrangements are operating as follows:

- Where you have received a retirement quotation dated prior to the implementation date and your retirement date is on or before 31 March 2025 and the quotation is accepted by way of the receipt of completed retirement option forms on or before 31 March 2025, the previous Commutation Factors will be honoured.
- Similarly, if you attain your Normal Pension Age on or before 31 March 2025 and your completed retirement option forms are received by 31 March 2025, the previous Commutation Factors will be honoured.

For all other retirements, the Commutation Factors that apply on your retirement date will prevail.

The new Commutation Factors can be found on My Work Pension. If you are an EDF employee, you will also be able to find these on eNZO.

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