

1 October 2026 - changes to retirement factors

How your BTPS pension is worked out

Your Standard Scheme benefits at your normal pension age are calculated using a set formula based on:

- your pensionable salary, and
- how long you were a member of the Scheme while working for BT.

You can find details of the formula for your section of the Scheme in your member booklet at <https.co.uk/YourMembership>

As well as taking your Standard Scheme benefits at your normal pension age, you may be able to choose to:

- retire earlier than your normal pension age, or
- if you are still employed by BT Group, retire later, or
- take a pension increase exchange (PIE), or
- exchange part of a pension for a tax-free cash lump sum (known as commutation).

When members take benefits in any of these ways, we need to make sure the value remains fair to all members. For example, if you retire early, your pension will usually be paid for longer than if you wait until your normal pension age. Because of this, an adjustment may be needed.

What are actuarial factors?

To calculate these adjustments, we use actuarial factors.

The factors are reviewed regularly and can change over time as financial and economic conditions change.

Why are factors reviewed?

The Trustee, advised by the Scheme Actuary, regularly reviews these factors. The review takes account of things such as:

- financial market conditions,
- life expectancy, and
- inflation expectations.

This helps ensure that the value offered to members retiring today is fair and does not disadvantage members who retire in the future.

Can factors change?

Yes. Factors can go up or down at any time and may change without notice.

This means that retirement figures provided in a quotation are estimates and could change between the date you receive your quote and the date your pension is paid.

The same applies to transfer value quotations (unless they are within a guarantee period) and trivial commutation quotations.

What has changed?

The factors used to calculate adjustments for early retirement and late retirement changed on 1 October 2026.

As a result, retirement quotations produced on or after that date may show different figures from quotations produced before 1 October 2026.

What has not changed?

Your entitlement to your benefits under the Scheme Rules has not changed.

Only the factors used to adjust benefits for options such as early or late retirement have changed.