

How much do CETVs undervalue pensions?

Table A shows the range of differences for a selection of commonly encountered schemes

Table A CETVs versus Actuarial Valuations

Scheme	CETV	Actuarial Valuation	Difference
Royal Mail	£128,000	£164,000	+ 28%
NHS	£120,000	£244,000	+103%
Local Government	£ 84,000	£138,000	+ 64%
Private Company	£225,000	£324,000	+ 44%
NHS	£ 96,000	£176,000	+ 83%

Table B shows the differences for the uniformed services schemes

Table B Uniformed Services' CETVs versus Actuarial Valuations

Scheme	CETV	Actuarial Valuation	Difference
Police	£283,000	£520,000	+ 84%
Army	£105,000	£394,000	+275%
Army	£ 59,000	£ 91,000	+ 54%
Police	£382,000	£679,000	+ 78%
Firefighter	£101,000	£334,000	+231%

Table C shows the differences for pensions in payment

Table C CEBs for pensions in payment versus Actuarial Valuations

Scheme	CEB	Actuarial Valuation	Difference
Army	£119,000	£140,000	+ 18%
Private Company	£380,000	£608,000	+ 60%
Private Company	£494,000	£455,000	- 8%
Army	£ 66,000	£119,000	+ 80%
State 2nd Pension	£111,000	£114,000	+ 3%

Source: Bradshaw Dixon Moore reports

