

Reform of the Teachers' Pensions Scheme

Update to the Equality Analysis – September 2013

Issues Arising from Proposals to Implement the Proposed Final Agreement

Introduction

1. Following acceptance of Lord Hutton's recommendations as a basis for consultation, and discussions with key stakeholders, on 9 March 2012 the Department published a Proposed Final Agreement (PFA) which set out the design for a reformed Teachers' Pension Scheme (TPS).
2. To further inform the reform process the Department undertook, and on 11 September 2012 published, an Equality Impact Assessment (EIA) in respect of the PFA. The EIA set out how the Department had considered all key aspects of the reformed scheme and carefully looked at the potential impacts for each of the following protected characteristics: age, gender, ethnicity, disability, religion or belief, gender reassignment, pregnancy and maternity, sexual orientation and marriage/civil partnership. The Department concluded that disproportionate adverse impact on current and future members is unlikely, and that, therefore, the pension reform represents a proportionate means of achieving a legitimate aim – which is to make the TPS sustainable whilst being fair to both members and the taxpayer.
3. Since publication of the PFA and EIA the Department has been considering the detailed arrangements for implementing the PFA. It has involved the teaching unions and other key stakeholders in those considerations, via meetings of the TPS Reform Discussion Forum. The Forum considered policy papers prepared by the Department, covering its proposals for implementing the PFA, including any equality issues arising out of them.
4. The Department ran a public consultation in May 2013 on its implementation proposals. The consultation focussed on how the PFA will be put into effect, but it also covered areas where detailed policy issues have emerged following the PFA (for example, how to calculate enhancements to pensions for beneficiaries where the member dies whilst in service).
5. Details of the outcome of the public consultation are being published alongside this update to the EIA. The consultation invited comments on any equality issues that consultees considered arise out of the proposals. A small proportion of respondents (though it should be noted that included unions that cover a significant proportion of the overall membership) raised the view that the changes will disadvantage younger members and those on the lower earning scale of the profession, with women and those with disabilities disproportionately represented in the lower pay scales. These concerns seem mainly to be linked to the way that benefits will accrue in the reformed

scheme, but also to the view that the low paid will not be able to afford to take advantage of the scheme flexibilities.

6. Such issues were addressed in the original EIA. Whilst the Department acknowledges that there is a lack of available data for some protected minority groups, for example, the disabled (as historically data has not been collected), it ultimately considers the overall package of proposals is fair and proportionate. The reformed pension scheme will be a more equitable scheme for all members. It will take into account the total of a member's pensionable earning over the whole course of their employment in the profession. The proposals will therefore deliver access to good pensions that are fair for everyone.

7. This update accompanies the start of consultation on the draft regulations in respect of implementation proposals.

What this update covers

8. The major features of the scheme design were covered in the EIA. This update focuses on those areas where policy issues have emerged as a result of considering the detail of implementing the PFA. As with the EIA itself, the update focuses on the potential impacts in respect of age, gender and, where available, full or part time working – with a view to eliminating discrimination, advancing equality of opportunity and fostering good relations. As explained in the EIA, no or limited information is available in relation to the teaching workforce about ethnicity, disability, gender reassignment, sexual orientation, pregnancy and maternity, religion or belief, and marriage/civil partnership. The Department has, nevertheless, considered equality issues in respect of those protected minority groups. Whilst the Department is taking steps, with the Scheme Administrator, to address data issues where possible, it remains the case that currently there is insufficient data for those minority groups to meaningfully add to the analysis.

9. The sub-paragraphs referred to in the paragraph headings relate to the consultation document (Consultation - Proposals for implementation of the reformed Teachers' Pension Scheme in 2015'), issued on 7 May 2013.

Pensionable earnings (sub-paragraph 1.11) – inclusion of overtime payments

10. Under the current TPS arrangements overtime payments are excluded from pensionable salary for the purposes of calculating pension benefits. This is because in the past school teachers' terms and conditions and pay arrangements did not generally allow for the overtime payments. There is another reason why overtime payments are not currently taken into account for the purposes of calculating pensions, that is, as pension benefits under the current scheme are based on the final years of salary it is susceptible to paying pension benefits that are grossly disproportionate to the contributions the scheme receives, if there is a sudden increase in pensionable salary towards the end of a member's career.

11. The Department now proposes to take overtime into account within pensionable pay in the reformed scheme. It is increasingly possible for scheme members to be eligible for overtime payments. In addition, one of the benefits of career average arrangements is that they are not susceptible to benefits being grossly disproportionate to the contributions received by the scheme, because benefits build up over time in proportion to earnings. This was also something that was raised in representations from stakeholders.

12. The Department does not hold data to enable the analysis by age, gender, ethnicity or other protected groups of its members who receive or can receive overtime payments. It considers, nevertheless, that it is highly unlikely that there will be any correlation between those who are eligible to receive overtime and age, gender, etc. The Department does not consider that there will be any advantage or disadvantage to any particular group from changing this provision. It is the Department's view that this proposal is likely to increase the opportunity for all members to build up good pensions. Another benefit of including overtime into pensionable earnings is that it removes the possibility that full time workers who undertake overtime will be disadvantaged in comparison to those who work in a number of eligible scheme employments (i.e. those who work more than full time, due to having more than one job, all of whose earnings under the current scheme would be pensionable employment).

13. Overall the Department feels that this proposal is fair and reasonably achieves the policy aim of helping teachers build up pension savings.

Enhancement of dependants' benefits where scheme member dies whilst in pensionable employment (sub-paragraph 2.10)

14. A feature of the TPS is that when a scheme member dies whilst in pensionable employment, the service used to calculate a survivor pension is enhanced. The amount of enhancement is related to the amount of pensionable service that stood to the scheme member's credit.

15. In the reformed scheme, it is proposed that the amount of enhancement will be linked to the potential period of lost service, i.e. related to the period between the scheme member's death and the scheme member's normal pension age. This will translate to additional surviving beneficiary pension in relation to half of the potential pension that would have been earned by the scheme member had pensionable employment continued until normal pension age.

16. The aim of this change is to better target benefits to need, and is based on providing increased enhancements to the beneficiaries of those members who die at younger ages – who are in turn more likely to need the extra financial support involved, and to need it for longer. The policy achieves this because enhancements based on half service to normal pension age will generally be significantly larger where a member dies at a young age than those delivered by the current 'variable enhancement scales', which provide smaller enhancements to those with little service.

17. A consequence of this is that enhancements for the beneficiaries of those who die nearer their normal pension age will not be as great as they would have been under the current scheme. That is because the current 'variable scales' can, for example, provide a full top up for those with significant amounts of prior service, whereas the new arrangements would provide a top up by half of perspective service to normal pension age for all. The savings from reduced enhancements for those who die nearer their normal pension age make the policy affordable, with the change being broadly cost neutral.

18. The table below gives details by age, gender and full or part time of deaths in service between 2009 and 2012. Further data, for example, the breakdown by ethnicity or disability, is not available.

| | 2009-2012 | | | | | |
|----------|-----------|----|-------|--------|----|-------|
| | Male | | | Female | | |
| | FT | PT | Total | FT | PT | Total |
| Under 21 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21 – 25 | 4 | 0 | 4 | 9 | 0 | 9 |
| 26 – 30 | 9 | 1 | 10 | 16 | 4 | 20 |
| 31 – 35 | 13 | 2 | 15 | 31 | 13 | 44 |
| 36 – 40 | 31 | 5 | 36 | 22 | 18 | 40 |
| 41 – 45 | 39 | 4 | 43 | 39 | 28 | 67 |
| 46 - 50 | 61 | 5 | 66 | 69 | 46 | 115 |
| 51 - 55 | 120 | 13 | 133 | 129 | 52 | 181 |
| 56 - 60 | 111 | 27 | 138 | 120 | 52 | 172 |
| 61 – 65 | 47 | 22 | 69 | 25 | 19 | 44 |
| 66 – 70 | 2 | 10 | 12 | 1 | 5 | 6 |
| Over 70 | 0 | 0 | 0 | 1 | 1 | 2 |

19. As can be seen from the data, the proportion of deaths between full and part-timers is broadly in line with the proportions for the membership as a whole. Proportionately more men died whilst in service than women when the proportions for total membership are considered, with two-thirds of the overall membership being women and around one-third men. In addition, proportionately more members died at later ages.

20. It could be argued, therefore, that this change will disadvantage the beneficiaries of both male and older members. The Department acknowledges that argument, and that there may be cases where the beneficiaries of older members are significantly financial dependent on them. It considers, however, that the revised arrangements will continue to deliver good pensions for the beneficiaries of members, both for those with short and long service. Furthermore, the Department considers that the interests of equity are better served by a system which delivers enhancements on the same basis for all, rather than the current system which advantages those with long service (who are already likely to have built up significant

dependent's benefits) and disadvantages those with short service (whose beneficiaries are more likely to feel a significant financial impact from the loss of income).

21. Overall, the Department considers that the arrangements are proportionate and legitimately deliver the policy intention of making these benefits fairer and better targeting those to need.

Salary to be used to calculate ill-health retirement enhancement in certain circumstances (sub-paragraph 3.4)

22. As part of an arrangement with the employer aimed at helping members better manage their ill health, members have the option of taking a position of lesser responsibility which can mean a reduction in pay. In situations such as this it is proposed that the enhanced element of any ill-health retirement pension that subsequently becomes payable will be calculated using the better of the final salary or the re-valued former higher salary. This arrangement would ensure that the long-term pension benefits of such members will not be reduced as a result of them going on working for longer in a less well paid role.

23. The table below shows details by gender and age of nearly 950 ill health retirements (between 2009/10 and 2011/2012) where enhanced (total incapacity) benefits were awarded. A further breakdown, by disability for example, is not available.

| Age Last Birthday | Men | Women | Total |
|-------------------|-----|-------|-------|
| under 30 | 0 | 1 | 1 |
| 31 to 40 | 7 | 29 | 36 |
| 41 to 45 | 13 | 33 | 46 |
| 46 to 50 | 27 | 72 | 99 |
| 51 to 55 | 95 | 200 | 295 |
| 56 to 60 | 155 | 313 | 468 |
| Totals | 297 | 648 | 945 |

24. As the data shows, the proportions of men and women who received such benefits were roughly in line with the overall proportions of such members (one-third to two-thirds).

25. The data does, however, show that older members are more likely to receive these enhanced benefits. Arguably the proposal is, therefore, more advantageous to older members. However, this policy will apply to any member, regardless of age, who is unfortunate enough to have to take on a reduced role and then to have to retire on ill-health grounds. Ultimately, the

Department considers the additional element of support involved is needed and will provide appropriate protection for the vulnerable scheme members involved.

26. The Department notes that, as a result of the higher normal pension age in the reformed scheme, the active membership of the TPS is, over time, likely to become spread across a wider age range than it is currently. Within that, there is likely to be a higher proportion of teachers aged 50+ in workforce. It does not, however, follow that there will be significant change in the pattern of ill health retirements. Longevity data (as referenced in Lord Hutton's report) shows that not only are people living longer they are also living healthy lives for longer.

27. If there is a shift in the age at which members tend to need to take ill health retirement the Department is confident that the new arrangements are sufficiently flexible to continue to support members properly. The Department also considers the proposal is proportionate and legitimately and reasonably delivers the intent of assisting those who have had a reduction in earnings before retiring on ill-health grounds.

28. The Department considers that this proposal for determining enhancements, and the ill health arrangements as a whole, will remain appropriate and effective. The Department will monitor developments with the scheme actuary and stakeholders.

Time limits for making in-service application for ill-health retirement benefits (sub-paragraph 3.11)

29. The reformed scheme will provide a two year window for an application for ill-health retirement benefits to be treated as an 'in-service' application. The window starts at the time when pensionable employment ends. Provided that the condition/illness at the time of leaving service is the same as the one that results in the application being accepted the application will be considered as an in-service application if it is submitted within the two year window.

30. This change recognises that there are circumstances where a scheme member leaves pensionable employment due to illness, but an application for ill-health retirement benefits within the currently prescribed six month period is likely to fail because the medical condition is of a type that is slow-to-develop or difficult-to-diagnose. Under the current arrangements, an award in such situations can only be made using discretion to extend the six month application period and/or following a protracted appeal process causing distress for the applicant. It is also possible that applicants may have been discouraged from pursuing an appeal and a longer application period should help to address this.

31. In-service applicants for ill-health retirement benefits receive enhanced benefits if the scheme member's medical condition limits their ability to undertake any form of gainful employment. The extended application period will increase the likelihood of an applicant being awarded the enhancement.

32. It is not possible to provide a detailed analysis of the members who this is likely to help because it is not possible, for example, to identify everyone who would or could in the past have benefitted from it. However, the Department can, from the 35 recorded cases where discretion has been exercised, confirm that it is likely to assist men and women, members of all age, and members with a wide variety of illnesses or conditions. That is, 14 men and 21 women were awarded ill health benefits in this way, which is in proportion with the gender split for the membership as a whole. Furthermore, the 35 consisted of 4 members in their 30s, 9 in their 40s, and 22 in their 50s. Whilst that is not representative of the split of members in those age groups it does reflect wider experience for ill health retirement cases; i.e. the overall spread and proportions for ill health retirements by age. In addition, the illnesses and conditions involved covered a wide range, including muscular-skeletal, mental health, cancers, and other conditions.

33. Overall, the Department considers that this change is potentially advantageous to the whole of the scheme membership and that no equality issues are raised.

Calculation of Short Service Serious Ill-Health Grant (sub-paragraph 3.8)

34. In the current scheme, when a short-service serious ill-health grant (SSSIG) becomes payable, the amount varies from case to case depending on the amount of service accrued by the scheme member. The SSSIG payable in the reformed scheme will be a flat-rate amount equivalent to two months' final salary which will be paid in all cases – this is equivalent to the highest amount currently available.

35. These cases are not recorded separately because they are rare, hence it is not possible to analyse whether any particular groups are more likely to benefit from this change. That said, as the award is payable where service is short then the young are most likely to benefit.

36. This change amounts to an improvement for most, if not all, people who are affected by serious ill health at a very early stage in their career. The Department considers that the revised arrangement proportionately and reasonably delivers the policy intent of delivering a reasonable amount of short term support to those who retire because of serious ill health but before qualifying for long term pension benefits in the TPS. Furthermore, it does so in a way that is cost effective and simple to administer.

Transfer arrangements for transitional scheme members (sub-paragraph 4.24)

37. Currently members cannot transfer their pension benefits out to another pension scheme after they have reached their normal pension age. This is because members have in effect qualified for their pension benefits. This restriction is also aimed at protecting the member and scheme by securing the pension built up to the point of the member's normal pension age.

38. TPS (and public service pension) reform will result in more people continuing to work beyond their current normal pension age (i.e. people in the current final salary scheme but who will transfer to the career average arrangements with the associated higher normal pension age). As a result the Department recognises that more people are likely to move around the public service (or indeed to jobs outside it) at older ages and beyond their current normal pension age.

39. The Department, therefore, proposes to amend the transfer arrangements to permit transfers to another scheme at a point past a member's final salary scheme normal pension age. This is provided that the scheme being transferred to is within the Public Service Transfer Club and that the member's benefits have not come into payment. This should help ensure that pensions do not act as a barrier to individuals being able to move around the public service.

40. The table below sets out the number of club transfers by gender and full or part time for the years 2009-10 to 2011-12. No details by reference to the other protected characteristics are available. The data shows that this proposal is likely to be as advantageous to women as it is to men. This is because the proportion of transfers taken by men and women is generally in line with overall scheme membership by gender. Similarly, the figures also show that there is no apparent disadvantage to part-time workers (where women are strongly represented).

| Year | Male | | Female | |
|---------|------|----|--------|-----|
| | FT | PT | FT | PT |
| 2011-12 | 64 | 18 | 159 | 116 |
| 2010-11 | 132 | 48 | 275 | 181 |
| 2009-10 | 141 | 18 | 274 | 147 |

41. As this proposal affects those who go on working beyond their current normal pension age, it follows that it is more likely to be used by those who do not have protection (i.e. it is less likely to be used by those who will stay in the final salary scheme and be able to draw benefits in full at their current NPA). Consequently, it is more likely to benefit current members in the younger and middle age groups. However, it has the potential to be of benefit to any member. There may be, for example, circumstances when members who currently have protection want to move between public service posts after reaching their current normal pension age. Thus this arrangement can be of advantage to all.

42. Ultimately, this proposal ensures that current members of the scheme are not disadvantaged if they go on working beyond their current normal pension age and then move to another public service post. It assists those moving within the public service by giving them reasonable options to secure their pension savings/retirement plans. Overall the Department considers this policy is proportionate and reasonable.

Time limit for electing to buy-out post-65 actuarial adjustment (sub-paragraph 5.15)

43. The term 'actuarial adjustment' refers to the adjustment applied to a member's accrued pension to take account of the fact that it is being paid early, or in some cases late. For example, where pension is being taken early it will be reduced to take account of the fact it is being paid early and is likely to be paid for longer. The proposed new flexibilities for the reformed scheme include the option for members with a normal pension age greater than 65 to buy out the actuarial adjustment by paying additional contributions during their pensionable employment. Should these members then chose to apply for their pension to be paid before normal pension age (i.e. on attaining age 65), the pension would not be subject to actuarial adjustment for early payment.

44. It is proposed that an election must be made when a scheme member first enters pensionable employment. This would mean that a scheme member could not wait until they were approaching retirement to make use of this provision. The time limit is considered necessary to smooth the cost of the actuarial buy-out across the member's working life. This has the added benefit of making the provision easier to understand for the member, and avoid the likelihood of members having numerous blocks of pension with different pension ages attached to them. With only one initial election, this will also make the provision more cost effective, albeit that the cost of the provision will be subject to review and thus may vary over the member's working lifetime.

45. The Department recognises that it may be difficult for younger new teachers, in particular, to make a decision on whether to take up this flexibility at the start of their career. Information on the benefits of this scheme flexibility, and other additional pension savings options, will be made available to aid members with their decision making, and the Department considers that the option to buy out the adjustment is likely to prove attractive to those who join the scheme at young as well as older ages.

46. Furthermore, the whole package of flexibilities needs to be considered in the round. Whilst this provision may be more attractive to those who have built up a reasonable amount of final salary service when they move to the reformed scheme, rather than teachers joining the profession post April 2015, overall the package of flexibilities allows all teachers scope to boost their pension benefits if they so wish.

47. The Department considers this is a worthwhile provision which can only work effectively if it is subject to a one-off election opportunity, and that has to be at the start of a person's career in the scheme as it is only possible to apply it to future service. Consequently, the Department considers it to be a proportionate and reasonable way of achieving the objective of giving members a further opportunity/flexibility to boost their pension saving, and thereby assist members in their retirement planning.

48. The Department does acknowledge the concerns raised by some stakeholders, in responding to the policy consultation, about whether the low

paid will be able to afford to access the scheme flexibilities on offer. As set out in the EIA (published 11 September 2012), the Department accepts that it is more likely that older members will take up the option to increase their pension saving. The extent to which that reflects a greater engagement with retirement planning amongst older members, rather than them, for example, being in a better position financially to invest more in their pension is not clear.

49. The table below shows that a significant proportion of those who take advantage of the current additional pension flexibility are younger members (figures cover those paying by monthly instalment only).

By Age:

| | | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--------|-------------|---------|---------|---------|---------|---------|---------|
| Male | 30 or under | 0 | 1 | 2 | 1 | 1 | 5 |
| | 31-40 | 15 | 8 | 9 | 11 | 12 | 21 |
| | 41-50 | 26 | 18 | 15 | 19 | 11 | 50 |
| | 51-60 | 48 | 50 | 38 | 35 | 21 | 41 |
| | Over 60 | 0 | 4 | 8 | 6 | 3 | 4 |
| | Total | 89 | 81 | 72 | 72 | 48 | 121 |
| Female | 30 or under | 0 | 3 | 4 | 0 | 1 | 2 |
| | 31-40 | 19 | 10 | 13 | 14 | 9 | 24 |
| | 41-50 | 29 | 34 | 34 | 31 | 20 | 65 |
| | 51-60 | 79 | 80 | 72 | 63 | 46 | 87 |
| | Over 60 | 0 | 1 | 5 | 4 | 2 | 10 |
| | Total | 127 | 128 | 128 | 112 | 78 | 188 |

50. The Department considers that the range of flexibilities on offer and the option to spread payment over a long period of time allows all members the greatest possible scope to access additional pension saving/planning. Within that, when a member chooses to use a flexibility there is a scheme cost associated with that, clearly it is right that the member meets that through contributions that are determined on a fair and equitable basis. The Department's proposals give members the opportunity to meet that cost over a short or long period of time depending on their circumstances.

51. Overall, the Department considers it has done all that it can reasonable do to ensure that the scheme flexibilities are fair and accessible to all. The Department considers that its implementation proposals proportionately deliver the intent to give members scope to increase their pension saving/plan for retirement by paying more for additional pension flexibilities.

Multi-Academy Trusts (Section 6)

52. This changes does not impact directly on members, rather it aims to make administration processes and responsibilities more straightforward for a specific type of TPS employer. No further analysis is, therefore, needed here.

Extending discretionary premature retirement compensation arrangements to Academies (sub-paragraph 7.6)

53. The proposal aims to ensure that a wider range of members will be covered by the arrangements whereby an employer can choose to award a teacher premature retirement compensation. It is out of the scope of these reforms to make such awards compulsory (that would be an employment issue) or to extend the range of establishments that the premature retirement compensation arrangements apply to (those other establishments are independent of Government and therefore other than through primary legislation no such condition could be applied to them).

54. The Department considers that it has extended this provision as widely as possible. Whilst this is a discretionary benefit, which is not determined by the scheme (it is determined by the employer), widening its possible scope of application should allow a greater number of members, irrespective of any particular protected characteristic, to benefit.

Overall assessment

55. The Department has considered in detail the implementation proposals and possible equality impacts. It recognises that in some areas changes will tend to help a particular group, for example, changes to transfer rules will inevitably help older members. However, where that is the case the Department considers the provision is proportionate and delivers an appropriate policy aim.

56. The Department understands that a significant portion of stakeholders feel that the overall changes are unjustified and may disadvantage the lower paid and certain protected groups more than others. The Department acknowledges those views but contends that the EIA itself addresses those concerns (for information relevant details are included at annex A), along with material made available to stakeholders during the process of arriving at the PFA covering TPS reforms. Ultimately the Department feels the TPS will remain a good scheme whereby all members can build up a good pension commensurate with their earnings and career in the public service.

57. The Department acknowledges that there are areas where more data would be helpful, for example, around disability and ethnicity. Historically this data has not been collected and given the size of the TPS and the sensitivity of such data it is not possible to address that quickly. The Department will, nevertheless, continue to work with the scheme administrator and stakeholders to address the issue where possible.

ANNEX A – Extract from EIA – ‘OVERALL CONCLUSION’

[129] Having due regard to the public sector equality duty, the Department has considered carefully the impact of a reformed TPS in respect of each of the following protected characteristics: age, gender, ethnicity, disability, religion or belief, gender reassignment, pregnancy and maternity, sexual orientation, gender reassignment; and marriage/civil partnership. We have concluded that disproportionate adverse impact on current and future members is unlikely. We have therefore concluded that pension reform represents a proportionate means of achieving a legitimate aim.

[130] The main equality issues emerging during the analysis process and the Department’s position are summarised below:

| <u>Issue</u> | <u>Department’s position</u> |
|--|--|
| Contributions increase and the impact on: a) protected groups who may be lower paid, including women and minority ethnic groups; and b) predominantly women part time workers. | An equality analysis was undertaken for the Year 1 increase in pension contributions and this included careful consideration of the impact on women (including Part Time workers) and minority ethnic groups. This analysis informed the design for implementing the contributions increase, which included protection for the lower paid. Further equality analysis will be undertaken for Years 2&3 of the contributions increase, prior to final decisions on the tiered designs for those years. That analysis will be informed by discussions with unions, and monitoring of opt-out rates. |
| Teachers from minority ethnic groups are disproportionately represented in lower paid teaching positions and on average appear to have slower career progression than white British scheme members. | Pension reform does not offer an opportunity to address this issue, however, the protection of the lower paid referred to above mitigates the impact of the contributions increase. In addition, the introduction of a career average scheme design is more beneficial to those with slower career progression. |
| Potential age discrimination associated with Transitional Protection for those within 10 years of Normal Pension Age at 1 April 2012, and a further 3.5 years protection on a tapered basis for those who are aged between 46½ and 50 on 1 st April 2012. | Given that entitlement to transitional protection is determined through reference to proximity to Normal Pension Age, it is acknowledged that it is less favourable to younger members. However, conversely, it is designed to mitigate a disproportionate impact on older members who have less time than younger members to make financial and lifestyle changes in light of scheme reform. |