

The Chief Executives, Fife Council and Dumfries & Galloway Council
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Clerks to the Joint Boards

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Dear Sir/Madam

POLICE PENSION SCHEME CIRCULAR 2005/2

THE PENSIONS INCREASE (REVIEW) ORDER 2005

1. I am writing about the above mentioned Order (SI 2005 No. 858) which provides for the payment of pensions increase resulting from the 2005 Review. A copy of SI 2005 No. 858 can be purchased from the Stationery Office or can be accessed using the following link www.legislation.hmso.gov.uk/stat.htm.
2. **Please draw this circular to the attention of Pension Managers and Superannuation Sections.**

The Increase

3. Increases are payable from 11th April 2005. For pensions which began before 12th April 2004 the increase is 3.1%. For pensions which began on or after 12th April 2004 the increases are as follows:-

Pensions Beginning	Percentage Increase
12th April 2004 to 26th April 2004	3.1%
27th April 2004 to 26th May 2004	2.84%
27th May 2004 to 26th June 2004	2.58%
27th June 2004 to 26th July 2004	2.33%
27th July 2004 to 26th August 2004	2.07%
27th August 2004 to 26th September 2004	1.81%
27th September 2004 to 26th October 2004	1.55%
27th October 2004 to 26th November 2004	1.29%
27th November 2004 to 26th December 2004	1.03%
27th December 2004 to 26th January 2005	0.78%
27th January 2005 to 26th February 2005	0.52%
27th February 2005 to 26th March 2005	0.26%

4. Article 4 of the Order provides for the payment of increases on deferred lump sums which became payable before 11th April 2005 but on or after 12th April 2004. These increases are set out in Annex A to this Circular. Multipliers for “preserved” pensions and lump sums can be accessed on the HM Treasury website on their Public Service Pensions / [Pensions Increases](#) page.
5. Police Authorities are reminded that, in accordance with the provisions of Regulation E10 of the Police Pensions Regulations 1987 and Schedule 12 to the Police Pensions Regulations of 1971 and 1973, as amended, widows’ flat rate pensions and children’s flat rate allowances are increased directly by orders made under section 59 of the Social Security Pensions Act 1975. These awards may accordingly be increased by 3.1% on 12 April 2004. Fire authorities are similarly reminded that widows’ flat rate pensions and children’s flat rate allowances directly attract the provisions of orders made under section 59 of the Social Security Pensions Act 1975. These awards may also accordingly be increased by 3.1% on 12 April 2004.
6. As from the week beginning 12th April 2004, the discretionary increases in certain widows’ pensions (Regulation 30, 33 and 35 of the Police Pensions Regulations 1971 and Part VI of Schedule 3 to those Regulations) should take account of the rates of benefit set out in the Social

Security Benefits Up-rating Order 2005 (SI 2005 No 522) which replaces those set out in the Social Security Benefits Up-rating Order 2004. Bereavement payment will be £2000.00 and the weekly rate of widow's pensions payable after the first 26 weeks of widowhood will be £82.05. The age allowance is unchanged at £0.25.

7. Any telephone enquiries about this circular should be made to Dorothy Hamilton on 01896 893224.

Yours faithfully

Dorothy Hamilton
Policy Officer

INCREASES IN LUMP SUMS**A. Deferred lump sums which become payable on or after 11 April 2005.**

These are eligible for the same increase as pensions which begin on the same date as the lump sum begins (See Multipliers table)

B. Deferred lump sums which became payable in the period 12 April 2004 to 11 April 2005.

- (i) If the lump sum began before 12 April 2004, it may have been eligible for increases under the Pensions (Increase) Act 1971. These should have been paid with the lump sum at the time it became payable. A further increase is payable on 11 April 2005 according to the table below.
- (ii) If the lump sum began on or after 12 April 2004 an increase is payable on 11 April 2005 according to the table below

In calculating the length of period, count complete months starting with the beginning date (or 12 April 2004 if later), and then count the remaining days, excluding the payable date itself –

eg 25 May to 7 July is 1 month (25 May to 24 June) and 12 days (25 June to 6 July).

Length of Period					Percentage Increase	
	16 days	to	1 month	15 days		0.26
1 month	16 days	to	2 months	15 days		0.52
2 months	16 days	to	3 months	15 days		0.78
3 months	16 days	to	4 months	15 days		1.03
4 months	16 days	to	5 months	15 days		1.29
5 months	16 days	to	6 months	15 days		1.55
6 months	16 days	to	7 months	15 days		1.81
7 months	16 days	to	8 months	15 days		2.07
8 months	16 days	to	9 months	15 days		2.33
9 months	16 days	to	10 months	15 days		2.58
10 months	16 days	to	11 months	15 days		2.84
11 months	16 days	to	12 months	15 days		3.10