

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

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Dear Sir/Madam

POLICE PENSION SCHEME CIRCULAR 2006/4

THE PENSIONS INCREASE (REVIEW) ORDER 2006

1. I am writing about the above mentioned Order (SI 2006 No. 741) which provides for the payment of pensions increase resulting from the 2006 Review. A copy of the SI can be purchased from the Stationery Office or can be accessed using the following link [SI 2006/741](#).
2. **Please draw this circular to the attention of Pension Managers and Superannuation Sections.**

The Increase

3. Increases are payable from 10th April 2006. For pensions which began before 11th April 2005 the increase is 2.7%. For pensions which began on or after 11th April 2005 the increases are as follows:-

Pensions Beginning	Percentage Increase
11th April 2005 to 25th April 2005	2.70%
26th April 2005 to 25th May 2005	2.48%
26th May 2005 to 25th June 2005	2.25%
26th June 2005 to 25th July 2005	2.03%
26th July 2005 to 25th August 2005	1.80%
26th August 2005 to 25th September 2005	1.58%
26th September 2005 to 25th October 2005	1.35%
26th October 2005 to 25th November 2005	1.13%
26th November 2005 to 25th December 2005	0.90%
26th December 2005 to 25th January 2006	0.68%
26th January 2006 to 25th February 2006	0.45%
26th February 2006 to 25th March 2006	0.23%

4. Article 4 of the Order provides for the payment of increases on deferred lump sums which became payable before 10th April 2006 but on or after 11th April 2005. 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 2.7% on 11 April 2005. 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 2.7% on 11 April 2005.
6. As from the week beginning 9th April 2005, 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 2006 (SI 2006 No 645) which replaces those set out in the Social Security Benefits Up-rating Order 2005. Bereavement payment will be £2000.00 and the weekly rate of widow’s pensions payable after the first 26 weeks of widowhood will be £84.25. 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 10 April 2006.**

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

B. Deferred lump sums which became payable in the period 11 April 2005 to 10 April 2006.

- (i) If the lump sum began before 11 April 2005, 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 10 April 2006 according to the table below.
- (ii) If the lump sum began on or after 11 April 2005 an increase is payable on 10 April 2006 according to the table below

In calculating the length of period, count complete months starting with the beginning date (or 11 April 2005 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		0.23
1 month	16 days	to	2 months	15 days		0.45
2 months	16 days	to	3 months	15 days		0.68
3 months	16 days	to	4 months	15 days		0.90
4 months	16 days	to	5 months	15 days		1.13
5 months	16 days	to	6 months	15 days		1.35
6 months	16 days	to	7 months	15 days		1.58
7 months	16 days	to	8 months	15 days		1.80
8 months	16 days	to	9 months	15 days		2.03
9 months	16 days	to	10 months	15 days		2.25
10 months	16 days	to	11 months	15 days		2.48
11 months	16 days	to	12 months	15 days		2.70