sppa
SCOTTISH PUBLIC PENSIONS AGENCY

The Secretary General, Convention of Scottish Local Authorities

The Director of Education, Director of Finance & Human Resources Manager, Scottish Local Authorities

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SCOTTISH TEACHERS' SUPERANNUATION SCHEME CIRCULAR 2009/3
THE PENSIONS INCREASE (REVIEW) ORDER 2009

Dear Sir/Madam

1. I am writing about the above mentioned Order (SI 2009 No. 692) which provides for the payment of pensions increase resulting from the 2009 Review. A copy of the SI and Explanatory Note can be purchased from the Stationery Office or can be accessed using the following links:

    SI 2009/692   Explanatory Note

2. **Please draw this circular to the attention of Pension Managers and Superannuation Sections. You may also wish to draw it to the attention of the Directors of Finance and Administration.**

    <u>The Increase</u>

3. Increases are payable from 6th April 2009. For pensions which began before 7th April 2008 the increase is 5.0%. For pensions which began on or after 7th April 2008 the increases are as follows:-

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Pensions Beginning	Percentage Increase
7th April 2008 to 21st April 2008	5.00%
22nd April 2008 to 21st May 2008	4.58%
22nd May 2008 to 21st June 2008	4.17%
22nd June 2008 to 21st July 2008	3.75%
22nd July 2008 to 21st August 2008	3.33%
22nd August 2008 to 21st September 2008	2.92%
22nd September 2008 to 21st October 2008	2.50%
22nd October 2008 to 21st November 2008	2.08%
22nd November 2008 to 21st December 2008	1.67%
22nd December 2008 to 21st January 2009	1.25%
22nd January 2009 to 21st February 2009	0.83%
22nd February 2009 to 21st March 2009	0.42%

4. Article 4 of the Order provides for the payment of increases on deferred lump sums which became payable before 6th April 2009 but on or after 7th April 2008. 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. Any telephone enquiries about this circular should be made to Dorothy Hamilton on 01896 893224.

Yours faithfully

Dorothy Hamilton
Policy Officer

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ANNEX A

INCREASES IN LUMP SUMS

A.   Deferred lump sums which become payable on or after 6 April 2009.

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 7 April 2008 to 6 April 2009.

(i)   If the lump sum began before 7 April 2008, 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 6 April 2009 according to the table below.

(ii) If the lump sum began on or after 7 April 2008 an increase is payable on 6 April 2009 according to the table below.

In calculating the length of period, count complete months starting with the beginning date (or 7 April 2008 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	0.42
1 month	16 days	to	2 months	15 days	0.83
2 months	16 days	to	3 months	15 days	1.25
3 months	16 days	to	4 months	15 days	1.67
4 months	16 days	to	5 months	15 days	2.08
5 months	16 days	to	6 months	15 days	2.50
6 months	16 days	to	7 months	15 days	2.92
7 months	16 days	to	8 months	15 days	3.33
8 months	16 days	to	9 months	15 days	3.75
9 months	16 days	to	10 months	15 days	4.17
10 months	16 days	to	11 months	15 days	4.58
11 months	16 days	to	12 months	15 days	5.00

It is not possible for the period to exceed 11 months 29 days if correctly calculated.

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