

The Secretary General, Convention of Scottish Local Authorities

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

Principals of Further and Higher Education Institutions

Independent Schools

Official Correspondents of Other Participating Organisations

7 Tweedside Park
Tweedbank
Galashiels TD1 3TE
<http://www.sppa.gov.uk>

Telephone: 01896 893224
Fax: 01896 893230
Dorothy.hamilton@scotland.gsi.gov.uk

Our ref: TEA/06/01/01

28th March 2007

Dear Sir/Madam

SCOTTISH TEACHERS' SUPERANNUATION SCHEME CIRCULAR 2007/3

THE PENSIONS INCREASE (REVIEW) ORDER 2007

1. I am writing about the above mentioned Order (SI 2007 No. 801) which provides for the payment of pensions increase resulting from the 2007 Review. A copy of the SI can be purchased from the Stationery Office or can be accessed using the following link [SI 2007/801](#)
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.**

The Increase

3. Increases are payable from 9th April 2007. For pensions which began before 10th April 2006 the increase is 3.6%. For pensions which began on or after 10th April 2006 the increases are as follows:-

Pensions Beginning	Percentage Increase
10th April 2006 to 24th April 2006	3.60%
25th April 2006 to 24th May 2006	3.30%
25th May 2006 to 24th June 2006	3.00%
25th June 2006 to 24th July 2006	2.70%
25th July 2006 to 24th August 2006	2.40%
25th August 2006 to 24th September 2006	2.10%
25th September 2006 to 24th October 2006	1.80%
25th October 2006 to 24th November 2006	1.50%
25th November 2006 to 24th December 2006	1.20%
25th December 2006 to 24th January 2007	0.90%
25th January 2007 to 24th February 2007	0.60%
25th February 2007 to 24th March 2007	0.30%

4. Article 4 of the Order provides for the payment of increases on deferred lump sums which became payable before 9th April 2007 but on or after 10th April 2006. 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

INCREASES IN LUMP SUMS**A. Deferred lump sums which become payable on or after 9 April 2007.**

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 10 April 2006 to 9 April 2007.

- (i) If the lump sum began before 10 April 2006, 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 9 April 2007 according to the table below.
- (ii) If the lump sum began on or after 10 April 2006 an increase is payable on 9 April 2007 according to the table below

In calculating the length of period, count complete months starting with the beginning date (or 10 April 2006 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		0.30
1 month	16 days	to	2 months	15 days		0.60
2 months	16 days	to	3 months	15 days		0.90
3 months	16 days	to	4 months	15 days		1.20
4 months	16 days	to	5 months	15 days		1.50
5 months	16 days	to	6 months	15 days		1.80
6 months	16 days	to	7 months	15 days		2.10
7 months	16 days	to	8 months	15 days		2.40
8 months	16 days	to	9 months	15 days		2.70
9 months	16 days	to	10 months	15 days		3.00
10 months	16 days	to	11 months	15 days		3.30
11 months	16 days	to	12 months	15 days		3.60