

**SCOTTISH TEACHERS' SUPERANNUATION SCHEME  
2014/04**

**WHO SHOULD READ:** STSS members, Directors of Education, Directors of Finance, HR Managers, Payroll Managers, Teachers' Unions and Representatives.

**ACTION:** A link to this circular has been sent by e-mail to all stakeholders on SPPA's circulation list and should be circulated widely to all STSS members

**SUBJECT:** THE PENSIONS INCREASE (REVIEW) ORDER 2014

The purpose of this circular is to notify employers of the increase to public service pensions with effect from 7 April 2014. Employers should apply these increases to mandatory and discretionary compensation payments that they pay to retired teachers.

The Pensions Increase (Review) Order 2014 (SI 2014 668) provides for the payment of pensions increase resulting from the 2014 Review. A copy of the SI and Explanatory Note can be purchased from the Stationery Office or can be accessed using the following link:

[The Pensions Increase \(Review\) Order 2014](#)

Increases are payable from 7 April 2014. For pensions which began before 8 April 2013 the increase is 2.7%. For pensions which began on or after 8 April 2013 the increases are as follows:-

| Pensions Beginning                   | Pensions Increase |
|--------------------------------------|-------------------|
| 08 April 2013 to 22 April 2013       | 2.70              |
| 23 April 2013 to 22 May 2013         | 2.48              |
| 23 May 2013 to 22 June 2013          | 2.25              |
| 23 June 2013 to 22 July 2013         | 2.03              |
| 23 July 2013 to 22 August 2013       | 1.80              |
| 23 August 2013 to 22 September 2013  | 1.58              |
| 23 September 2013 to 22 October 2013 | 1.35              |
| 23 October 2013 to 22 November 2013  | 1.13              |
| 23 November 2013 to 22 December 2013 | 0.90              |
| 23 December 2013 to 22 January 2014  | 0.68              |
| 23 January 2014 to 22 February 2014  | 0.45              |
| 23 February 2014 to 22 March 2014    | 0.23              |

Article 4 of the Order provides for the payment of increases on deferred lump sums which became payable before 7 April 2014 but on or after 8 April 2013.

These increases are set out in Annex A of this Circular. Multipliers for “preserved” pensions and lump sums can be accessed on the HM Treasury website on their [Public Service Pensions Increase page](#).

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**24 March 2014**

**Contact information:**

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**A. Deferred lump sums which become payable on or after 7 April 2014**

These are eligible for the same increase as pensions which began on the same date as the lump sum begins (See [multiplier tables](#))

**B. Deferred lump sums which became payable in the period 8 April 2013 to 7 April 2014**

(i) If the lump sum began before 8 April 2013, 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 7 April 2014 according to the table below.

(ii) In years where there is an increase, if the lump sum began on or after April of the previous year (in this case it would have been 8 April 2013) an increase is payable in April (7 April 2014 in this case) according to the table below.

In calculating the length of period, count complete months starting with the beginning date (or 8 April 2014 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                |

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