

**LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND)
CIRCULAR SPN/LG No. 1/2012**

- WHO SHOULD READ:**
- The Secretary General**
 - Convention of Scottish Local Authorities**
 - The Chief Executive**
 - Scottish Local Authorities**
 - The Chief Executive**
 - Water Authorities**
 - The Principal Reporter**
 - Scottish Children's Reporter Administration**
 - The Chief Executive**
 - Scottish Environment Protection Agency**
 - The Director General**
 - Strathclyde Passenger Transport Executive**
 - The Clerk**
 - Strathclyde Passenger Transport Authority**
 - The Chief Executive/Director**
 - Area Tourist Boards**
- ACTION:**
- This circular should be brought 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**
- SUBJECT:**
- PUBLIC SERVICE PENSIONS INCREASE 2012**
- DATE:**
- 21 March 2012**

About Circular SPN/LG No. 1/2012

The purpose of this circular is to notify Pension Managers and Superannuation Sections of the Public Service Pensions, under the provisions of the Pensions (Increase) Act 1971 and Section 59 of the Social Security Pensions Act 1975, will be up-rated based on the Consumer Prices Index (CPI) from 9 April 2012, in accordance with the Pensions Increase (Review) Order 2012 (SI 2012 No. 782)



1. I am writing about the above mentioned order (SI 2012 No. 782) which provides for the payment of pensions increase resulting from the 2012 review. A copy of the SI can be purchased from the Stationary Office or can be accessed using the following link [Pensions Increase \(Review\) Order 2012](#)

Public service pensions which have been in payment for a year will be increased by 5.2 per cent from 9 April 2012 in line with the September-to-September increase in prices. The Public Service Pensions Uprate 2012 multiplier tables and associated covering note have been published on the HM Treasury website: [Public Service Pension Uprating 2012](#)

2. Increases are payable from 9 April 2012. For pensions which began before 11 April 2011 the increase is 5.2%. For pensions which began on or after 11 April 2011 the increases are as follows:-

Pensions Beginning	Pensions Increase
11th April 2011 to 24th April 2011	5.20%
25th April 2011 to 24th May 2011	4.77%
25th May 2011 to 24th June 2011	4.33%
25th June 2011 to 24th July 2011	3.90%
25th July 2011 to 24th August 2011	3.47%
25th August 2011 to 24th September 2011	3.03%
25th September 2011 to 24th October 2011	2.60%
25th October 2011 to 24th November 2011	2.17%
25th November 2011 to 24th December 2011	1.73%
25th December 2011 to 24th January 2012	1.30%
25th January 2012 to 24th February 2012	0.87%
25th February 2012 to 24th March 2012	0.43%

3. Article 4 of the Order provides for the payment of increases on deferred lump sums which became payable before 9 April 2012 but on or after 11 April 2011. 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.

4. Any telephone enquiries about this circular should be made to David Lauder on 01896 893227.



21/06/2012

Yours faithfully

Kimberly Linge
Policy Officer, LGPS

Contact Information:

Should you have any enquiries about this circular, or require further information, please contact: David Lauder on 01896 893227

Scottish Public Pensions Agency 7 Tweedside Park Tweedbank GALASHIELS TD1 3TE	www.sppa.gov.uk Telephone: 01896 893000 Fax: 01896 893230
---	--



INVESTOR IN PEOPLE

INCREASES IN LUMP SUMS

A. Deferred lump sums which become payable on or after 9 April 2012.

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 2011 to 9 April 2012.

- (i) If the lump sum began before **11 April 2011**, 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 2011 according to the table below.
- (ii) If the lump sum began on or after 11 **April 2011** an increase is payable on 9 April 2012 according to the table below.

In calculating the length of period, count complete months starting with the beginning date (or 11 April 2011 if later), and then count the remaining days, excluding the payable date itself –

e.g. 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		0.43
1 month	16 days	to	2 months	15 days		0.87
2 months	16 days	to	3 months	15 days		1.30
3 months	16 days	to	4 months	15 days		1.73
4 months	16 days	to	5 months	15 days		2.17
5 months	16 days	to	6 months	15 days		2.60
6 months	16 days	to	7 months	15 days		3.03
7 months	16 days	to	8 months	15 days		3.47
8 months	16 days	to	9 months	15 days		3.90
9 months	16 days	to	10 months	15 days		4.33
10 months	16 days	to	11 months	15 days		4.77
11 months	16 days	to	12 months	15 days		5.20

It is not possible for the period to exceed 11 months 28 days if correctly calculated.

