

POLICE PENSION SCHEME

2/2012

WHO SHOULD READ:

The Chief Executives, Fife Council and Dumfries & Galloway Council
Chief Constables

Clerks to the Joint Boards

ACTION:
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.**SUBJECT:**
THE PENSIONS INCREASE (REVIEW) ORDER 2012

The purpose of this circular is to notify Pension Managers and Superannuation Sections of the increase to Public Service Pensions with effect from 9 April 2012.

I am writing about the above mentioned Order (SI 2012/782) which provides for the payment of pensions increase resulting from the 2012 Review. A copy of the SI and Explanatory Note can be purchased from the Stationery Office or can be accessed using the following links:

Pensions Increase (Review) Order 2012

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

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.

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Policy Officer
11 April 2012

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Annex A

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 tables, [Annex B](#) and [Annex C](#))

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 9 April 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 11 April 2011) an increase is payable in April (09 April 2012 in this case) 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 –

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	0.43
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.