

NHS & Teachers Information on Pensions Increase 2020

Under the provisions of the Pensions (Increase) Act 1971, made in accordance with the Social Security Pensions Act 1975, the increase to be applied to public sector pensions is 1.7% and is payable from 6 April 2020.

If you have not been in receipt of your pension for a full year, only a proportion of the annual increase is payable.

Pension Increase is only paid from age 55 unless the pension is an Ill Health or dependant's pension.

Pension Increase FAQs

Q. Why have I not received a letter confirming my new pension amount?

A. Instead of sending out a separate letter to pensioners, this year we have added your new pension amount to your payslip, so your month 1 payslip will show your new pension amount for the year 2020/2021.

Q. Who decides on the pensions increase each year and when is it done?

A. The Secretary of State for Work and Pensions makes the announcement in a draft Pensions Increase (Review) Order which is approved by the UK Parliament usually during March each year. The new rate of increase takes effect from the first Monday after 5th April.

Q. How much is the increase for 2020/2021?

A. 1.7% payable from 6 April 2020. This is based on the Consumer Price Index as at September 2019.

Q. Why does my first pension payslip, for payment due after 6 April 2020, not reflect a full month's increase?

A. Your pension this year is increased from 6 April 2020; therefore you will receive an increase in the rate payable only from that date. The first payment will therefore consist of a number of days at the old rate and the remainder at the new rate, the following months payment will reflect your first full increase.

Q. Why does my pension amount not work out to the full percentage increase?

A. This could be for a number of reasons: (i) For any pension put into payment before age 55, the increase will not be applied until the 55th birthday, unless the member retired on health grounds, is a widow/widower or is receiving a dependents benefit. (ii) If a new pension was put into payment on or after 22 March 2020, no increase will be due until next year. (iii) You have a Guaranteed Minimum Pension (GMP) [also known as Contracted Out Pension Equivalent (COPE)] component within your pension.

Q. Why has my tax code changed?

A. We are instructed by HMRC to apply the relevant tax code. If your tax code has changed and you require further information or have any questions about your tax, please contact HMRC on 0300 200 3300 and have your National Insurance number to hand when you make your call. If you have any further questions please email the Payroll Team at Pensionspayroll@gov.scot