

SPN/LG CIRCULAR No.1/2005

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

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Your ref:
Our ref: GEN/12/04/00 Pt 3

5th April 2005

Dear Sir/Madam

THE PENSIONS INCREASE (REVIEW) ORDER 2005

1. I am writing about the above mentioned Order (SI 2005 No. 858) which provides for the payment of pensions increase resulting from the 2005 Review. A copy of SI 2005 No. 858 can be purchased from the Stationery Office or can be accessed using the following link www.legislation.hmso.gov.uk/stat.htm.
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.**

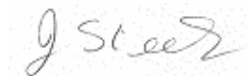
The Increase

3. Increases are payable from 11th April 2005. For pensions which began before 12th April 2004 the increase is 3.1%. For pensions which began on or after 12th April 2004 the increases are as follows:-

Pensions Beginning	Percentage Increase
12th April 2004 to 26th April 2004	3.1%
27th April 2004 to 26th May 2004	2.84%
27th May 2004 to 26th June 2004	2.58%
27th June 2004 to 26th July 2004	2.33%
27th July 2004 to 26th August 2004	2.07%
27th August 2004 to 26th September 2004	1.81%
27th September 2004 to 26th October 2004	1.55%
27th October 2004 to 26th November 2004	1.29%
27th November 2004 to 26th December 2004	1.03%
27th December 2004 to 26th January 2005	0.78%
27th January 2005 to 26th February 2005	0.52%
27th February 2005 to 26th March 2005	0.26%

4. Article 4 of the Order provides for the payment of increases on deferred lump sums which became payable before 11th April 2005 but on or after 12th April 2004. 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 David Lauder on 01896 893227.

Yours faithfully



JEAN STEEL
Policy Officer, LGPS

INCREASES IN LUMP SUMS**A. Deferred lump sums which become payable on or after 11 April 2005.**

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 12 April 2004 to 11 April 2005.

- (i) If the lump sum began before 12 April 2004, 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 2005 according to the table below.
- (ii) If the lump sum began on or after 12 April 2004 an increase is payable on 11 April 2005 according to the table below

In calculating the length of period, count complete months starting with the beginning date (or 12 April 2004 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		0.26
1 month	16 days	to	2 months	15 days		0.52
2 months	16 days	to	3 months	15 days		0.78
3 months	16 days	to	4 months	15 days		1.03
4 months	16 days	to	5 months	15 days		1.29
5 months	16 days	to	6 months	15 days		1.55
6 months	16 days	to	7 months	15 days		1.81
7 months	16 days	to	8 months	15 days		2.07
8 months	16 days	to	9 months	15 days		2.33
9 months	16 days	to	10 months	15 days		2.58
10 months	16 days	to	11 months	15 days		2.84
11 months	16 days	to	12 months	15 days		3.10