

**LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND)
CIRCULAR SPN/LG No. 1/2011**

- 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 2011**
- DATE:**
- 28 March 2011**

About Circular SPN/LG No. 1/2011

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 11 April 2011, in accordance with the Pensions Increase (Review) Order 2011(SI 2011 No. 827)

1. I am writing about the above mentioned order (SI 2011 No. 827) which provides for the payment of pensions increase resulting from the 2011 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 2011](#)

Public service pensions which have been in payment for a year will be increased by 3.1 per cent from 11 April 2011 in line with the September-to-September increase in prices. The Public Service Pensions Uprate 2011 multiplier tables and associated covering note have been published on the HM Treasury website: [Public Service Pension Uprating 2011](#).

2. Increases are payable from 11 April 2011. For pensions which began before 12 April 2010 the increase is 3.10%. For pensions which began on or after 12 April 2010 the increases are as follows:-

Pensions Beginning	Pensions Increase
12th April 2010 to 26th April 2010	3.10%
27th April 2010 to 26th May 2010	2.84%
27th May 2010 to 26th June 2010	2.58%
27th June 2010 to 26th July 2010	2.33%
27th July 2010 to 26th August 2010	2.07%
27th August 2010 to 26th September 2010	1.81%
27th September 2010 to 26th October 2010	1.55%
27th October 2010 to 26th November 2010	1.29%
27th November 2010 to 26th December 2010	1.03%
27th December 2010 to 26th January 2011	0.78%
27th January 2011 to 26th February 2011	0.52%
27th February 2011 to 26th March 2011	0.26%

3. Article 4 of the Order provides for the payment of increases on deferred lump sums which became payable before 12 April 2011 but on or after 12 April 2010. 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.



23/05/2011

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

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INVESTOR IN PEOPLE

INCREASES IN LUMP SUMS

A. Deferred lump sums which become payable on or after 11 April 2011.

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 12 April 2010 to 11 April 2011.

- (i) If the lump sum began before **12 April 2010**, 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 **12 April 2010** an increase is payable on 11 April 2011 according to the table below.

In calculating the length of period, count complete months starting with the beginning date (or 12 April 2010 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

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

