

April 2006 – 2.7% Pensions Increase

Prior to April each year, the government produces a legal document called a “Pensions Increase (Review) Order”. This Order informs public sector pension schemes (such as The Tyne and Wear Pension Fund) what the annual increase to pensions will be. From 10 April 2006, the increase will be 2.7%. This increase is based upon the rise in the cost of living up to September 2005. The Pensions Increase is due from 10 April 2006.

Calculating Pensions Increase

If you are entitled to the increase, you will receive a notification letter along with your April pay statement and P60 form (if applicable). **Please bear in mind that the adjustment is only payable from the 10 April onwards and therefore the payment for the first 9 days of the month is at the old rate (see below).**

Please find below an example of how Pensions Increase is calculated. This example is based upon a pension of £100 per month. If the full increase is applied then the new monthly rate will be £102.70

March 2006	£100
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April 2006	£101.89*
*PI payable from 10/04/06 onwards. Calculation/Breakdown as follows:	
(01 - 9 April 06 inclusive) £100/30 days x 9 days	= £30.00
(10 – 30 April 06 inclusive) £100/30 x 21 days	= £70.00
£70.00 x 2.7% (Pensions Increase)	= £ 1.89

May 2006	£102.70*
*£100 x 2.7% (Pensions Increase)	

Did you retire after April 2005?

If you retired after April 2005, you will not receive a full increase until next year. Your increase for this year will be based upon your leaving date. The table below will tell you what your increase will be:

Period	Increase (%)
26 April 2005 to 25 May 2005	2.48
26 May 2005 to 25 June 2005	2.25
26 June 2005 to 25 July 2005	2.03
26 July 2005 to 25 August 2005	1.80
26 August 2005 to 25 September 2005	1.58
26 September 2005 to 25 October 2005	1.35
26 October 2005 to 25 November 2005	1.13
26 November 2005 to 25 December 2005	0.90
26 December 2005 to 25 January 2006	0.68
26 January 2006 to 25 February 2006	0.45
26 February 2006 to 25 March	0.23

Under Age 55?

If you retired due to ill health then your pension will be increased regardless of your age. If you are not yet aged 55, your pension will not increase until your 55th birthday. At this point we will apply all the increases, which have occurred in the interim period.