

## **Pension Increases - Questions and Answers**

### **When are pension increases paid?**

The pension increase review year runs from 1 April to 31 March and the increased pension is paid from April.

### **How are pension increases calculated (Pearl, London Life Final Salary & Hybrid Sections and Money Purchase Secured by Scheme Pre 2019)?**

Increases to your pension are based on the movement in the Retail Price Index (RPI) for the year to February subject to a maximum of 5%. To determine the increase we take the current year's February RPI, divide by the previous year's February RPI and multiply by 100. This percentage increase is then applied to your pension in excess of your Guaranteed Minimum Pension (GMP).

If you are younger than GMP age (65 Male, 60 Female) the annual increase on any pre and post 88 GMP is in line with the increase to the excess pension.

If you are older than GMP age the pre 88 GMP does not receive any increases from the Scheme. These are paid with your basic state pension.

Post 88 GMP receives an increase based on the September to September Consumer Price Index (CPI) subject to a maximum of 3%.

### **How are pension increases calculated (NPI Final Salary Section Only)?**

Increases to your pension are based on the movement in the Retail Price Index (RPI) for the year to February subject to a maximum of 5%. To determine the increase we take the current year's February RPI, divide by the previous year's February RPI and multiply by 100. This percentage increase is then applied to your pension in excess of your GMP.

If you are younger than GMP age, the annual increases on any pre and post 88 GMP are in line with the fixed rate revaluation which was applicable at the date you left NPI.

If you are older than GMP age, increases to any pre 88 GMP are paid by the State (these are included with the payment of your basic state pension). However, the Scheme are responsible for increasing any post 88 GMP. Post 88 GMP receives an increase based on the September to September CPI subject to a maximum of 3%.

### **What is the pension increase for 2025?**

The increase to pensions in payment from April 2025, in line with the Rules of the Scheme is 3.4%. The statutory increase to the Post 88 GMP is 1.7%.

### **Money Purchase Secured by Scheme (Post 2019)**

Pure money purchase members Post 2019 receive increases in line with Consumer Price Index (CPI) based on the index over the 12 months to February.

- Post 5 April 2005 service is subject to a maximum of 2.5%
- Pre 6 April 2005 service and AVCs are subject to a maximum of 5.0%

The increase to the above pensions in payment from April 2025, in line with the Rules of the Scheme, is 2.5% for post 5 April 2005 pension and 2.8% for pre 6 April 2005 and AVC pensions.

**I have commenced my pension in the last year and have received a proportionate increase. How is this calculated?**

The pension increase review year runs from 1 April to 31 March and your proportionate increase is determined depending on the number of complete months in the review year you have been receiving your pension. For example, if your pension commenced on 1 August 2024 you would be entitled to an increase of 8/12 of the annual increase percentage effective from April 2025.

Please note that NPI members and all widows of retired members commencing pension in the last 12 months will receive a full year's increase.