

Additional Information

RATES OF PENSION INCREASES – FEBRUARY 2016

Scheme pension. Members of the Halcrow Pension Scheme (HPS) have been “contracted-out”, which means pension entitlements accrued between 6 April 1978 and 5 April 1997 are subject to a minimum known as the Guaranteed Minimum Pension (GMP). This is broadly equivalent to the entitlement members would have earned in SERPS or S2P had they not been “contracted-out”.

GMP entitlement earned before 6 April 1988, does not receive any increase from HPS. For GMP entitlement earned after 6 April 1988, from age 60 for females and 65 for males, HPS increases the GMP by the lesser of 3% or the increase in the CPI. The rate of increase in the CPI measured to the previous September was a minus figure. Accordingly, there will be **no increase** applicable to members’ post 1988 GMP in **2016**.

For those who joined the Scheme before 1 April 1997 increases of 5% apply to pension in excess of the Guaranteed Minimum Pension (GMP) that relates to service prior to 1 March 1999. For service after 1 March 1999, the increase to a member’s Limited Price Index (LPI) elements is the lower of 5% or the change in the Retail Prices Index (RPI) (measured to the previous November each year). Accordingly for **2016** an increase of **1.1%** will be applied.

For those who joined the Scheme on or after 1 April 1997 the increase to a member’s LPI element is the lower of 5% or the change in the Retail Prices Index (RPI) (measured to November each year). Accordingly, for **2016** an increase of **1.1%** will be applied.

Any **Additional Voluntary Contribution (AVC) pension** or **transferred-in pension** payable that attracted increases will be included in the pension description appropriate to the level of increases selected and costed for at retirement.

If you have been in receipt of pension for less than one year the increase to the 5% or inflation linked elements of your pension is proportionate to the number of complete months from retirement to 31st January 2016.

For those members who are in receipt of a non-increasing additional pension in respect of AVCs paid whilst a member of the Halcrow Pension Scheme, this will be identified by the description “AVC Pension”. There are no increases payable to this part of your pension.

Temporary Pension, if payable, is increased in line with the change to the “Lower Earnings Limit” as specified by the Government. There is to be no change in April 2016 from the 2015 level of **£5,824**. Temporary Pensions will accordingly receive **no increase** in **2016**.

The Rules of the scheme require that pensions are paid in line with Her Majesty’s Revenue & Customs limits (HMRC limits) that were in force prior to 6th April 2006. If your pension increase were to cause these limits to be exceeded then the amount of increase would be restricted. Members to whom this applies will be notified at the time of the restricted increase.