

Public Services Section BULLETIN

GMB

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7th February 2012

PENSION INCREASES – APRIL 2012

Every year public sector pension benefits are increased in order to reflect increases in the cost of living. On 7th February, the Chief Secretary to the Treasury, Danny Alexander announced the pension increase that will apply to public sector pensions from April would be 5.2%.

Following the Chancellor's announcement of a change in the uprating index used from RPI to CPI (an index considered by the Office for Budget Responsibility to be around 1½ percentage points lower than the traditional RPI measure) in his first Budget in 2010, the increase reflects September's CPI figure. Had RPI remained as the index used, the increase this year would have been 5.7%.

GMB is challenging this change in the courts and is currently taking the case to the Court of Appeal where the hearing is due to start on 20th February.

Among those affected are:

- Retired members of public sector pension schemes (including LGPS, NHS and PCSPS)
- Deferred members of public sector schemes, that is workers who have in the past been members of one of these schemes but have since left and are not yet receiving the pension
- Members of *nuvos* who have their active career average service revalued in line with this figure

Pensions will be increased by 5.2%, so a member currently in receipt of a £150 a month pension will receive £157.80 a month (in addition to any state pension benefits) from April.

We will keep members informed as the legal case progresses.

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