

ADVICE & GUIDANCE

2015 increase to teachers' pensions

On 16 February 2015 HM Treasury published details of the increases that will be applied to public service pensions (including teachers' pensions) subject to the usual legislation process. It is expected that The Pensions Increase (Review) Order 2015, enacting the increase, will be laid in due course.

Public service pensions which have been in payment for a year will be increased by 1.2 per cent from 6 April 2015 in line with the increase in the consumer prices index in the 12 months to September 2014.

Pensioners who have retired on or after 22 April 2014 will receive a proportionate increase, based upon the number of complete months it has been in payment. The table below details the appropriate increase that will be applied to pension payments made on or after 6 April 2015.

Date on which pension commenced	Increase %
On or before 21 April 2014	1.20%
22 April 2014 to 21 May 2014	1.10%
22 May 2014 to 21 June 2014	1.00%
22 June 2014 to 21 July 2014	0.90%
22 July 2014 to 21 August 2014	0.80%
22 August 2014 to 21 September 2014	0.70%
22 September 2014 to 21 October 2014	0.60%
22 October 2014 to 21 November 2014	0.50%
22 November 2014 to 21 December 2014	0.40%
22 December 2014 to 21 January 2015	0.30%
22 January 2015 to 21 February 2015	0.20%
22 February 2015 to 21 March 2015	0.10%
22 March 2015 onwards	Nil

Further information on the 2015 and previous years' increases can be accessed at <http://goo.gl/eoBJJD>.

It should be noted that these rises should not be confused with increases that apply to the state retirement pension. Unlike teachers' pensions where increases are based on the September to September inflation rise, state pensions increase via a 'triple lock' policy that requires the annual increase to be the higher of inflation,

average earnings or 2.5 per cent. For 2015 the latter of these three assessments will be applied, 2.5 per cent.

For further information on state pension increases please visit <http://goo.gl/4B5OYZ>.