

LGPS Scheme Administrator Guide

The application of increases to LGPS pensions in payment

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¹ Scenario 1 set out in paragraph 35.

² Scenario 1 set out in paragraph 35

³ Scenario 2 set out in paragraph 35

⁴ Scenario 3 set out in paragraph 35

⁵ Scenario 4 set out in paragraph 35

⁶ Scenario 12 set out in paragraph 35

⁷ Scenario 22 as set out in paragraph 35

⁸ Scenario 23 as set out in paragraph 35

⁹ Scenario 27 as set out in paragraph 35

¹⁰ Paragraph 43

¹¹ Paragraph 43

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<ul style="list-style-type: none"> • Example 12¹² - A pensioner who is initially $AP \geq GMP$, becomes $AP < GMP$ and subsequently again becomes $AP \geq GMP$ with the “GMP to apply as at date” being the same as the GMP date • Example 13¹³ - A pensioner who is initially $AP \geq GMP$, becomes $AP < GMP$ and subsequently again becomes $AP \geq GMP$ with the “GMP to apply as at date” being the same as the $AP \geq GMP$ from date 	
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¹² Paragraph 44

¹³ Paragraph 45

Introduction

1. The information in this Guide sets out the LGPC Secretariat's understanding of how increases are applied to LGPS pensions in payment on and after 6 April 2016 (i.e. following the end of contracting out). It is based on:

- the Social Security Pensions Act 1975 (SSPA 1975)
- the Pensions Increase Act 1971 (PIA 1971)
- the Pension Schemes Act 1993 (PSA 1993)
- the Social Security Administration Act 1992 (SSAA 1992)
- related Statutory Instruments i.e. Pensions Increase (Review) Orders, Guaranteed Minimum Pensions Increase Orders
- HMT Ministerial Directions issued under s.59A SSPA 1975.

The Ministerial Direction dated 6 April 2016 did not account for those pensioners whose State Pension age (SPa) is after 5 April 2016 and who are entitled to inherited additional pension (AP), or whose State Pension age is after 5 December 2018 and who are not entitled to inherited additional pension (AP). Paragraphs 2(b), 7 and 9 of the Ministerial Direction dated 3 December 2018 corrected those omissions for payments before 6 April 2021 (backdated to 6 April 2016) and included the [outcome](#) of the Government consultation on increases to public service pension benefits published on 22 January 2018. Accordingly, all references in this guide relate to either the Ministerial Direction dated 6 July 2000 or the Ministerial Direction dated as 3 December 2018 as appropriate.

This guide assumes that any increases applied by way of the Public Service Pensions Revaluation Order under s.9 of the Public Service Pension Schemes Act (PSPA) 2013 have already occurred, before the application of the above legislation. Information on how to apply increases by way of the Public Service Pensions Revaluation Order under s.9 of the PSPA 2013 is covered in detail in the 'revaluation technical guide' on the guides and sample documents page of www.lgpsregs.org and www.scotlgpsregs.org.

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Objective and limitations of this guide

4. The objective of this guide is to **only** cover the impact of the Ministerial Direction dated 3 December 2018 (and where appropriate for the purpose of the examples, the Ministerial Direction dated 6 July 2000) issued under s.59A of the SSPA 1975 on the application of increases to LGPS pensions in payment. The Ministerial Direction dated 3 December 2018 was issued to account for the changes made to the:
 - State pension for those individuals who reached SPa on and after 6 April 2016. All such individuals, upon reaching SPa will be paid the new State pension which does not contain any additional pension (AP), and
 - State death benefits payable in respect of deaths that occurred on or after 6 April 2017. The new State death benefits do not include any inherited additional pension (AP). However, it would be incorrect to categorically state that a survivor of a member who died on or after 6 April 2017 is not entitled to inherited additional pension (AP). The rules regarding payment of inherited additional pension (AP) are dependent upon a number of factors:
 - (1) Whether the date of death occurred prior to 6 April 2016, on or after 6 April 2016 and prior to 6 April 2017 (there are transitional arrangements for such cases) or on or after 6 April 2017, **and**
 - (2) Whether or not the survivor was over or under their own SPa on the date of death of the deceased.

This is a fundamental change to how administering authorities have previously approached the payment of survivor pensions and survivor

GMPs. [Paragraph 27](#) covers the payment of State survivor benefits in detail.

This guide covers the payment of LGPS pensions prior to 6 April 2016 and beyond.

This guide does not cover the calculation and application of any any anti-franking increase that may be due to a member under Chapter III of Part IV of the PSA 1993.

The Additional Pension (AP) paid by Government used to be called the Additional Component (AC) though this changed a number of years back. Therefore, all references in this guide will be to AP \geq GMP or AP $<$ GMP (as opposed to AC \geq GMP or AC $<$ GMP).

The content of this guide is intended to apply up to and including the 5 April 2021. The Government has indicated in the [outcome](#) to its consultation on increases to public service pension benefits published on 22 January 2018, that it intends to investigate the possibility of an alternative long term solution, known as conversion. This guide will be updated to cover the position beyond 5 April 2021 once the outcome to those investigations are known.

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Summary

5. After a member's benefits are put into payment their LGPS benefits are increased by way of two Statutory Orders depending upon circumstances. The term pensioner within this guide (and the Ministerial Direction) is defined as a person to whom an official pension has become payable. An official pension is defined within s.5(1) of the PIA 1971 as any of the pensions specified in schedule 2 of that same Act (schedule 2 covers public service pensions, including the Local Government Pension Scheme).

A pensioner can therefore be a person in receipt of a pension who is either a:

- former active scheme member, or
- survivor of a deceased scheme member.

Whilst both a pension credit member and a surviving co-habiting partner would fall into the category of pensioner, neither is entitled to their former partner's Guaranteed Minimum Pension (GMP) (or part thereof) in the form of a GMP liability under the PSA 1993.

6. If the pensioner: -

- has entitlement to a Post 5 April 1988 GMP (the 'Post 88 GMP'), then their Post 88 GMP is increased under s.109 of the PSA 1993 by way of a Guaranteed Minimum Pensions Increase Order and the remainder of their pension is subject to increases in accordance with s.1 of the PIA 1971 (for the increase, if any, due on or before 1 December 1978) and for increases after that date in accordance with s.59 of the SSPA 1975 by way of Pensions Increase (Review) Orders (but subject to any Ministerial Direction issued under s.59A of the SSPA 1975).
- does not have an entitlement to a Post 88 GMP, then their LGPS pension is subject to increases in accordance with s.1 of the PIA 1971 (for the increase, if any, due on or before 1 December 1978) and for increases after that date in accordance with s.59 of the SSPA 1975 by way of Pensions Increase (Review) Orders (but subject to any Direction issued under s.59A of the SSPA 1975).

7. Subject to paragraph 8, LGPS pensions are increased under the: -

- Guaranteed Minimum Pensions Increase Order where the member has a Post 88 GMP and is 60 or over (woman) / 65 or over (man) - the Post 88 GMP is increased annually on each 6 April and increases are capped at 3% (regardless of the increase in the index which may be more than 3%). The first increase applied to a member's Post 88 GMP under a Guaranteed Minimum Pensions Increase Order is always applied in full (i.e. there is no part year pro-rata of the increase). Subsequent year's increases are also applied in full to the value of the Post 88 GMP and to increases (if any) given under previous Guaranteed Minimum Pensions Increase Orders.
 - Where increments to the Post 88 GMP are paid, these are also increased under this Order subject to the same 3% cap.
- Pensions Increase (Review) Order where the member meets a qualifying condition for increases in accordance with the PIA 1971 - the excess LGPS pension over the value of the total GMP is increased annually on the first Monday on or after each 6 April. A part year's increase is applied if the Pensions Increase date for the pension is on or after the date specified in the Order for pro-rata of the increase to apply. Subsequent year's increases are applied in full to the excess LGPS pension over the value of the total GMP and to increases (if any) given under previous Pensions Increase (Review) Orders.
- Pensions Increase (Review) Order - where $AP < GMP$ the following is also increased annually on the first Monday on or after each 6 April, the:

- Pre 6 April 1988 GMP (the 'Pre 88 GMP) and any increases applied to the Pre 88 GMP under previous Pensions Increase (Review) Orders.
 - Post 88 GMP, though only to the value of the difference between 3% and Pension Increase (Review) Order where the Order is in excess of 3% and any increases applied to the Post 88 GMP under previous Pensions Increase (Review) Orders.
8. Additional pension purchased by a member by way of an Additional Regular Contribution (ARC) contract where the member made the ARC election before 1 April 2012 under regulation 23 of the LGPS (Administration) Regulations 2008 or regulation 20 of the LGPS (Administration) (Scotland) Regulations 2008 is increased by the increase in the Retail Prices Index and not under Pensions Increase (Review) Orders (which currently reflect the increase in the Consumer Prices Index). Such pension will need to be held as a separate pension element on the pension payroll as it will be subject to a different increase to the rest of the member's pension.
9. Some elements of a member's pension on the pension payroll can have a different Pensions Increase date than that which applies to other elements of the member's pension. The obvious example is where the member is in receipt of pensions from two (or more) separate periods of membership which ceased on different days.

A less obvious example, is where a member has both pre and post 14 membership (pre and post 15 membership in Scotland) and ceases membership on, say, 31 August 2017. The Pension Increase date for the post 14 (post 15 in Scotland) CARE pension is 1 September 2017 but, because the previous year's pay was higher and has been used to calculate the pre 14 (pre 15) final salary benefits, the Pension Increase date for the pre 14 (pre 15) final salary pension is 1 September 2016.

The Pension Increase date for additional pension purchased by:

- a) way of an Additional Pension Contribution (APC) or Shared Cost APC contract under regulations 16 or 31 of the LGPS Regulations 2013 or regulations 16 or 30 of the LGPS (Scotland) Regulations 2018 (formerly regulations 16 or 30 of the LGPS (Scotland) Regulations 2014), will be the day after leaving active membership¹⁴.
- b) a member by way of an Additional Regular Contribution (ARC) contract where the member made the ARC election on or after 1 April 2012 and before 1 April 2014 under regulation 23 of the LGPS (Administration) Regulations 2008 or on or after 1 April 2012 and before 1 April 2015

¹⁴ The amount of additional pension purchased by way of an Additional Pension Contribution (APC) or Shared Cost APC contract will, at midnight on 31 March after the date of cessation of active membership, be increased for the period between 1 April immediately preceding the date of cessation of active membership and the date of cessation of active membership by the Public Service Pensions Revaluation Order issued under s. 9 of the PSPA 2013 (but subject to an adjustment for the year the member ceased to be an active member to ensure no double indexation).

under regulation 20 of the LGPS (Administration) (Scotland) Regulations 2008, will be the day after leaving active membership¹⁵.

- c) a member by way of an Additional Regular Contribution (ARC) contract where the member made the ARC election before 1 April 2012 under regulation 23 of the LGPS (Administration) Regulations 2008 or regulation 20 of the LGPS (Administration) (Scotland) Regulations 2008 [but see also paragraph 8 above], will be the day after leaving active membership¹⁶.

- 10. Where the LGPS benefits have been deferred and are subsequently brought into payment cumulative increases under both the Guaranteed Minimum Pensions Increase Order and the Pensions Increase (Review) Order may be applied to the LGPS pension, again depending on circumstances.

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Who is entitled to a GMP?

- 11. As a result of being contracted-out of the State Earnings Related Pension Scheme (SERPs) the LGPS must provide a GMP as shown below. In order to assist administering authorities, the over-riding regulatory references have been inserted for clarity in red.

GMP for Scheme members

- 12. Under s.13 of the PSA 1993 a pension, of at least the value of the GMP, must be provided to a Scheme member at GMP age (60 for women, 65 for men [s.181 PSA 1993]) in respect of the period during which, between 6 April 1978 and 5 April 1997, the member paid contracted-out national insurance contributions (excluding any period in contracted-out employment during which the member paid primary Class 1 contributions at the married woman's or widow's reduced rate by virtue of s.19(4) of the Social Security Contributions and Benefits Act 1992) [s.13(1) PSA 1993]. A Scheme may provide for the commencement of the Scheme member's GMP to be postponed for any period for which the member continues in employment after reaching GMP age. However, scheme member's consent must be obtained if the administering authority wishes to postpone payment of the GMP for any such postponement[s.13(4) PSA 1993]:

¹⁵ The reason for this is because when the member left active membership CPI increases should have been calculated and awarded up to the date of ceasing active membership. However, if an administering authority did not do this, and only included CPI increases up to the PI (Review) Order immediately preceding the date of cessation, the PI date should be set as the date of the first day in the payment period in which the first contribution was deducted (or date of the lump sum payment) so that, at the following PI (review) Order a full year's worth of CPI would be awarded.

¹⁶ The reason for this is because when the member left active membership RPI increases should have been calculated and awarded up to the date of ceasing active membership. However, if an administering authority did not do this, and only included RPI increases up to the PI (Review) Order immediately preceding the date of cessation, the PI date should be set as the date of the first day in the payment period in which the first contribution was deducted (or date of the lump sum payment) so that, at the following PI (Review) Order a full year's worth of RPI would be awarded.

- a) by virtue of employment to which the Scheme does not relate [s.13(5)(a) PSA 1993], and
- b) after the expiration of five years from the date on which the Scheme member attains GMP age [s.13(5)(b) PSA 1993].

The postponement provisions under the LGPS in England and Wales are covered in detail in the 'GMP payable table' that can be found on the guides and sample documents page of www.lgpsregs.org.

When payment of the GMP commences for a Scheme member, it is payable for life. [s.13(3) PSA 1993]

GMP for Survivor's

13. Under s.17 of the PSA 1993 the Scheme has to provide a survivor (widow, widower, surviving civil partner) with an entitlement to a GMP (whether the death occurs before, on or after the deceased's GMP age) [s.17(1) PSA 1993]. However, although the Scheme has to provide a survivor with an entitlement to a GMP, the Scheme only has to make payment of the survivor's GMP where certain conditions are met – see the table in [paragraph 17](#) [s.17(4A) to (6) of the PSA 1993 and regulations 21 and 22 of the Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015 [SI 2015/1677] as amended by the Occupational Pension Schemes and Social Security (Schemes that were Contracted-out and Graduated Retirement Benefit) (Miscellaneous Amendments) Regulations 2017 [SI 2017/354]].

Survivor 'entitled' to GMP and GMP is in payment

14. Where a survivor is 'entitled' to a GMP and it is in payment s.59(5) and 59A of the SSPA 1975 apply. Accordingly, the GMP may be treated as AP>=GMP or AP<GMP depending upon circumstances. See the table in [paragraph 17](#) setting out the prescribed circumstances.

Survivor 'entitled' to GMP but GMP not in payment (including Survivor 'entitled' to GMP where GMP is initially in payment, then GMP not in payment)

15. Where a survivor is 'entitled' to GMP but the GMP is not payable, then 'strictly speaking' the GMP should not be present on the payroll. This includes any situation in the table in [paragraph 17](#) where the GMP was in payment but, due to the cessation of a state payment, the GMP is now not in payment. Although, in such situations, the GMP should be removed from the payroll and the LGPS survivor benefits should be recalculated as if the GMP had never been in payment, the GMP may again become payable. This will most likely be at the Survivor's SPa or in prescribed circumstances upon the cessation of a co-habitation, whereupon the GMP (including any Post 88 increases to the Post 5 April 1988 GMP) should be put back onto the payroll.

Survivor 'entitled' to a GMP and GMP is in payment – then not in payment – then back in payment again'.

16. Where payment of a GMP has ended and subsequently recommenced, administering authorities need to be careful when putting the GMP back onto the payroll. They must ensure that they reduce the existing amount of Pensions Increase by the value of the accrued Post 88 GMP increases (i.e. the accrued up to 3% - otherwise the person would be receiving those increases twice).

On a practical level we are of the view that the only real answer to this issue is to say that once a GMP has been put on the payroll, then it stays on the payroll (even if payment of the GMP ends) and, where payment ends, the GMP is treated as AP<GMP. This would ensure that the increases applied to Pre 88 GMP, Post 88 GMP and benefits in excess of the total GMP, are applied correctly. However, in making a decision as to whether or not to adopt this approach administering authorities should be aware that, unless the pensioner's Pensions Increase date happens to fall on 6 April, there is a small additional cost and, over time, the cumulative effect of this cost will increase. This is because the survivor will receive the amount due on the Post 88 GMP for a longer period than they would otherwise be entitled under the Pensions Increase (Review) Order. This is due to the fact that the GMP Increase Order applied to the Post 88 GMP is effective from each 6 April, unlike the Pensions Increase (Review) Order, which is effective from the first Monday on or after each 6 April.

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17. Survivor GMP payable table

Category	Deceased Scheme member with entitlement to a GMP	Survivor	GMP entitlement	GMP is only payable to survivor as shown below:
1.	Man	Widow	Half the Scheme member's GMP [s. 17(2)(a) and 17(3) PSA 1993]	<ul style="list-style-type: none"> a) for any period for which a Category B¹⁷ retirement pension is payable to the survivor (or would be payable but for the person being entitled to more than one retirement pension) [s.17(4A)(a) PSA 1993] b) for life if the survivor attained SPa after 5 April 2016 and the deceased died on or after the survivor had attained SPa [s.17(4A)(aa) and 17(9A) PSA 1993] c) for any period after the survivor has attained SPa where the survivor attained SPa after 5 April 2016, the deceased died before the survivor attained SPa and the survivor did not marry or enter into a civil partnership after the date of the deceased's death and before attaining SPa [s.17(4A)(ab) and 17(9A) PSA 1993] d) for any period for which the survivor is in receipt of widowed parent's allowance or bereavement allowance [s.17(4A)(b) PSA 1993]

¹⁷ **Category B pension for surviving spouses and civil partners :**

A category B pension is Basic State Pension (if bereavement occurs after the survivor's SPa or, if under SPa, the survivor is entitled to widow's pension, widowed mother's allowance or widowed parent's allowance up to SPa) and additional State Pension. No entitlement to a category B pension exists if survivor was under 45 either when bereaved or when they ceased to receive child benefit for youngest child. A survivor will not receive a category B pension after remarriage if they remarry before reaching State Pension age. Amount of inheritable additional State Pension is dependent on when the Contributor died: For deaths after October 2002; 50% of the Contributor's SERPS and S2P is inheritable.

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| | | | | <p>e) if the survivor ceases to receive widowed parent's allowance or bereavement allowance after age 45, for the period thereafter (except for:</p> <ul style="list-style-type: none">• any period during which the survivor cohabits with another person as a married couple, and• any period after the survivor remarries, and• any period after the survivor enters into a civil partnership unless the deceased died before 5 December 2005) <p>[s.17(4A)(c) PSA 1993]</p> <p>f) for any period for which a widowed mother's allowance or widow's pension is payable [s.17(5) PSA 1993]</p> <p>g) for life if the survivor and the deceased were both over "pensionable age" [i.e. SPa**] when the deceased died [regulations 21(1)(a) and 22(1) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]</p> <p>h) unless (g) or (i) apply, for any period during which the survivor is either residing with a child, or is entitled to child benefit in respect of a child and the child is:</p> <ul style="list-style-type: none">• a child of the deceased and the survivor, or• a child in respect of whom the deceased was in receipt of child benefit (or would have been if the child had not been absent from Great Britain), or• a child in respect of whom the survivor was in receipt of child benefit (or would have been if the child had not been absent from Great Britain), if the survivor and the deceased were residing together immediately before the deceased's death |
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[regulations 21(1)(b) and 22(2) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]

but, even if those conditions are met, this is qualified by the fact that a GMP is not payable:

1. for any period after the survivor remarries post the deceased's date of death if the survivor is under "pensionable age" [i.e. SPa**] at the date of remarriage, or [regulation 22(4)(a)(i) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]
2. for any period after the survivor enters into a civil partnership post the deceased's date of death if the survivor is under "pensionable age" [i.e. SPa**] at the date of entering into the civil partnership, or [regulation 22(4)(a)(ii) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]
3. during the period the survivor is under "pensionable age" [i.e. SPa**] and is living with another person as if they were a married couple, or [regulation 22(4)(b) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]
4. during the period after the survivor attains "pensionable age" [i.e. SPa**] if, immediately before then, the survivor had been living with another person as if they were a married couple. [regulation 22(4)(c) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]

- i) unless (g) applies, for life if the survivor was 45 or over at the date of the deceased's death or had attained that age at a time when they were either residing with a child, or was entitled to child benefit in respect of a child and the child was:
- a child of the deceased and the survivor, or
 - a child in respect of whom the deceased was in receipt of child benefit (or would have been if the child had not been absent from Great Britain), or
 - a child in respect of whom the survivor was in receipt of child benefit (or would have been if the child had not been absent from Great Britain) if the survivor and the deceased were residing together immediately before the deceased's death
- [regulations 21(1)(b), 21(1)(c) and 22(3) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]

but, even if those conditions are met, this is qualified by the fact that a GMP is not payable:

1. for any period after the survivor remarries post the deceased's date of death if the survivor is under "pensionable age" [i.e. SPa**] at the date of remarriage, or [regulation 22(4)(a)(ii) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]
2. for any period after the survivor enters into a civil partnership post the deceased's date of death if the survivor is under "pensionable age" [i.e. SPa**] at the date of entering into the civil partnership, or [regulation 22(4)(a)(ii) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]

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| | | | | <ol style="list-style-type: none"> 3. during the period the survivor is under “pensionable age” [i.e. SPa**] and is living with another person as if they were a married couple, or [regulation 22(4)(b) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015] 4. during the period after the survivor attains “pensionable age” [i.e. SPa**] if, immediately before then, the survivor had been living with another person as if they were a married couple. [regulation 22(4)(c) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015] j) unless (g), (h), (i) or (k) apply, for the period during which the survivor is entitled to a bereavement support payment (maximum of 18 months) [regulations 21(1)(d) and 22(3A) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015] k) unless (g), (h), (i) or (j) apply, for life if the survivor was entitled to a bereavement support payment before age 45 but that entitlement ended at or after age 45 [regulations 21(1)(e) and 22(3B) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015] – but, even if those conditions are met, this is qualified by the fact that a GMP is not payable: <ol style="list-style-type: none"> 1. for any period after the survivor remarries post the deceased’s date of death if the survivor is under “pensionable age” [i.e. SPa**] at the date of remarriage, or [regulation 22(4)(a)(i) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015] |
|--|--|--|--|--|

				<p>2. for any period after the survivor enters into a civil partnership post the deceased's date of death if the survivor is under "pensionable age" [i.e. SPa**] at the date of entering into the civil partnership, or [regulation 22(4)(a)(ii) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]</p> <p>3. during the period the survivor is living with another person as if they were a married couple [regulation 22(4)(b) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]</p> <ul style="list-style-type: none"> Note: Basic State Pension (BSP) cannot be paid to a survivor who is aged above State Pension age, therefore regulation 22(4)(c) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015 cannot apply.
2.	Woman in relevant gender change case*	Widow	Half the Scheme member's GMP [s.17(2)(a) and 17(3) PSA 1993]	As per Category 1 above but excluding (f) [s.17(5) PSA 1993]
3.	Woman	Widower	Half the Scheme member's post 5 April 1988 GMP [s.17(2)(b) and	As per Category 1 above but excluding (f) [s.17(5) PSA 1993] Also, if the man became a widower before 5 December 2005: i) the qualifications in (h1), (i1) and (k1) do not apply if the marriage is a same sex marriage [regulation 22(5)(a) SI

			17(4) PSA 1993]	<p>2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]</p> <p>ii) the qualifications in (h2), (i2) and (k2) do not apply [regulation 22(5)(b) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]</p> <p>iii) the qualifications in (h3 and h4) and (i3 and i4) do not apply if the people living together are of the same sex [regulation 22(5)(c) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]</p> <p>iv) the qualification in (k3) does not apply if the people living together are of the same sex [regulation 22(5)(c) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]</p>
4.	Man or woman	Civil partner	Half the Scheme member's post 5 April 1988 GMP [s.17(2)(c) and 17(4) PSA 1993]	As per Category 1 above but excluding (f) [s.17(5) PSA 1993]
5.	Man	Widower (from same sex marriage)	Half the Scheme member's post 5 April 1988. GMP [s.17(2)(d) and	<p>As per Category 1 above but excluding (f) [s.17(5) PSA 1993]</p> <p>Also, if the man became a widower before 5 December 2005:</p> <p>i) the qualifications in (h1), (i1) and (k1) do not apply if the marriage is a same sex marriage [regulation 22(5)(a) SI</p>

			17(4) PSA 1993]	<p>2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]</p> <p>ii) the qualifications in (h2), (i2) and (k2) do not apply [regulation 22(5)(b) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]</p> <p>iii) the qualifications in (h3 and h4) and (i3 and i4) do not apply if the people living together are of the same sex [regulation 22(5)(c) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]</p> <p>iv) the qualification in (k3) does not apply if the people living together are of the same sex [regulation 22(5)(c) SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015]</p>
6.	Woman (other than a relevant gender change case*)	Widow (from same sex marriage)	Half the Scheme member's post 5 April 1988. GMP[s.17(2)(e) and 17(4) PSA 1993]	As a per Category 1 above but excluding (f) [s.17(5) PSA 1993]

Notes:

* A “*relevant gender change case*” is a case where the deceased was a woman by virtue of a full gender recognition certificate having been issued under the Gender Recognition Act 2004 and the marriage of the deceased and her widow subsisted before the certificate was issued. [s.17(9) and (10) of the PSA 1993]

** s.181 of the PSA 1993 defines “pensionable age” as follows:

“pensionable age”-

(a) so far as any provisions (other than sections 46 to 48) relate to guaranteed minimum pensions, means the age of 65 in the case of a man and the age of 60 in the case of a woman, and

(b) in any other case, has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995.

Although the provisions in the table above all relate to payment of a GMP the references to “pensionable age” all appear to be closely related to entitlement to receipt of State benefits and so linked to attainment of SPa. We have therefore taken the references to “pensionable age” to mean SPa. This interpretation seems to be backed up by footnote (a) to regulation 4(7) of The Occupational Pension Schemes and Social Security (Schemes that were Contracted-out and Graduated Retirement Benefit) (Miscellaneous Amendments) Regulations 2017 [SI 2017/354] which refers to situations where a GMP is to be paid to a survivor. The footnote says: *The definition of “pensionable age” in s.181 of the PSA 1993 (c. 48) was substituted by paragraph 17 of Schedule 4 to the PA 1995.* In addition, regulation 21 of SI 2015/1677 The Occupational Pension Schemes (Schemes that were Contracted-out) (No 2) Regulations 2015 starts out by making reference to s.17(4A) of PSA 1993. It is quite clear in s. 17 as a whole, of the PSA 1993, that reference to ‘pensionable age’ is with reference to GMP age, as State Pension Age is quoted separately, so at this point one could think that within regulation 21 reference to pensionable age is also with reference to GMP age. However, regulation 21 specifically quotes s.17(4A) of PSA 1993 and there is not one reference to ‘pensionable age’ within that section; the only reference is to State Pension Age.

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Impact of the Social Security Pensions Act 1975 ('SSPA 1975')

18. S.59(5) and 59(5ZA) (Increase of Official Pension) of the SSPA 1975 prescribe that where the pensioner has built up a GMP entitlement, then upon reaching the GMP effective date, the GMP must first be deducted from the LGPS pension before the application of any increases. This is called AP \ge GMP.

However, s.59A of that same Act prescribes that the Minister for Civil Service may direct, depending upon circumstances, via Ministerial Direction that those sections should not apply. This is called AP $<$ GMP. The latest Ministerial Direction was issued on 3 December 2018 (though its effective date was backdated to the 6 April 2016).

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Effective date of a pensioner's GMP

Scheme member

19. A scheme member's GMP is effective from the scheme member's GMP age and is¹⁸:
- age 65 for a man
 - age 60 for a woman

Prior to 6 April 2010 both GMP age and SPa were equal. However, since 6 April 2010 a woman's' State Pension age (SPa) has gradually increased, and it harmonised with that of a man on 6 December 2018. Thereafter, SPa continues to rise for both genders with the latest position (January 2019) being that a person born after 5 April 1978 will have a SPa of age 68¹⁹. As GMP age and SPa are no longer equal and contracting-out ended on 5 April 2016, this means that administering authorities need to apply the impact of s.59A of the SSPA 1975 and the Ministerial Direction more frequently.

Survivor

20. Where a scheme member who is:
- a married man dies with an entitlement to a GMP, his widow is entitled to half his **basic** GMP (including increments) earned at the date of death. Except where the pension became payable on or after 24 July 1990 and the man died on or after GMP age, in which case his widow is also entitled to half of the post 88 increases.
 - a married woman who is a woman by virtue of a full gender recognition certificate having been issued under the Gender Recognition Act 2004 and

¹⁸ S.181 Pension Schemes Act 1993

¹⁹ Paragraph 1, schedule 4, Pensions Act 1995

her marriage to the widow (that ends with her death) occurred before the time when the certificate was issued, her widow is entitled to half the **basic** GMP (including increments) earned at the date of death except where the pension became payable on or after 24 July 1990 and the woman died on or after GMP age, in which case her widow is also entitled to half of the post 88 increases.

- a married woman (other than one covered by either the bullet point above or below) dies with an entitlement to a GMP, her widower is entitled to half of that part of her **basic** GMP (including increments) built up after 5 April 1988 ('Post 88 GMP') except where the pension became payable on or after 24 July 1990 and the woman died on or after GMP age, in which case her widower is also entitled to half of the post 88 increases.
- in a same sex marriage or civil partnership dies on or after 5 December 2005²⁰ with an entitlement to a GMP, the survivor is entitled to half of that part of the deceased **basic** GMP (including increments) built up after 5 April 1988 ('Post 88 GMP') except where the pension became payable on or after 24 July 1990 and the member died on or after GMP age, in which case the survivor is also entitled to half of the post 88 increases.

21. The effective date of a survivor's GMP can be either the **day after** the scheme member's date of death or the **same as** that of the deceased scheme member. If the deceased scheme member:

- initially took payment of their benefits before 24 July 1990²¹ or died before GMP age²² the effective date of the survivor's GMP for:
 - a) the widow or widower of an opposite sex marriage, or
 - b) the surviving spouse of a deceased member where the deceased member was a man or woman by virtue of a full gender recognition certificate having been issued under the Gender Recognition Act 2004 and the marriage of the deceased and the surviving spouse occurred before the time when the certificate was issued²³

will be the **day after** the scheme member's date of death²⁴,

²⁰ A member who died before 5 December 2005 could not have left a civil partner or spouse from a same-sex marriage. The legal provisions to enter into a civil partnership did not exist until 5 December 2005. The legal provisions for same sex marriage came into effect from 13 March 2014 in England and Wales and from 16 December 2014 in Scotland but where an existing civil partnership was converted into a same sex marriage, the same sex marriage is treated as having occurred from the date of the civil partnership.

²¹ S.59(5ZC)(a) of SSPA 1975

²² S.59(5ZA) of SSPA 1975

²³ This statement covers the survivor of:

- a) a member who had been a man who was married to a woman under an opposite sex marriage and, after the marriage, the man had become a woman by virtue of a full gender recognition certificate,
- b) a member who had been a woman who was married to a man under an opposite sex marriage and, after the marriage, the woman had become a man by virtue of a full gender recognition certificate,
- c) a member who had been a man who was married to a man under a same sex marriage and, after the marriage, the man had become a woman by virtue of a full gender recognition certificate,, and
- d) a member who had been a woman who was married to a woman under a same sex marriage and, after the marriage, the woman had become a man by virtue of a full gender recognition certificate.

²⁴ S.59(5ZC) of SSPA 1975

- initially took payment of their benefits on or after 24 July 1990 and died after GMP age the effective date of the survivor's GMP for:
 - a) the widow or widower of an opposite sex marriage, or
 - b) the surviving spouse of a deceased member where the deceased member was a man or woman by virtue of a full gender recognition certificate having been issued under the Gender Recognition Act 2004 and the marriage of the deceased and the surviving spouse occurred before the time when the certificate was issued²⁵

will be the **same as** the scheme member's GMP date²⁶,

- initially took payment of their benefits before 13 March 2014 (England and Wales) or 16 December 2014 (Scotland)²⁷ or died before GMP age²⁸ the effective date of the survivor's GMP for:
 - i) the survivor of a same sex marriage (other than one falling in (b) in either of the first two bullet points above)²⁹
 - ii) the survivor of a civil partnership

will be the **day after** the scheme member's date of death³⁰,

- initially took payment of their benefits on or after 13 March 2014 (England and Wales) or 16 December 2014 (Scotland) and died after GMP age the effective date of the survivor's GMP for:
 - i) the survivor of a same sex marriage (other than one falling in (b) in either of the first two bullet points above)³¹

²⁵ This statement covers the survivor of:

- a) a member who had been a man who was married to a woman under an opposite sex marriage and, after the marriage, the man had become a woman by virtue of a full gender recognition certificate,
- b) a member who had been a woman who was married to a man under an opposite sex marriage and, after the marriage, the woman had become a man by virtue of a full gender recognition certificate,
- c) a member who had been a man who was married to a man under a same sex marriage and, after the marriage, the man had become a woman by virtue of a full gender recognition certificate, and
- d) a member who had been a woman who was married to a woman under a same sex marriage and, after the marriage, the woman had become a man by virtue of a full gender recognition certificate.

²⁶ S.59(5ZA) of SSPA 1975 as inserted by the Pensions (Miscellaneous Provisions) Act 1990

²⁷ S.59(5ZC)(b) of SSPA 1975

²⁸ S.59(5ZA) of SSPA 1975

²⁹ The above statement covers the survivor of:

- a) a member who was a woman who was married to a woman under a same sex marriage (but not because of the deceased had become a woman under (b) of either the first or second bullet point of paragraph 21 i.e. by virtue of a full gender recognition certificate having been issued under the Gender Recognition Act 2004 after the original marriage of the deceased and the surviving spouse).
- b) a member who was a man who was married to a man under a same sex marriage (but not because of the deceased had become a man under (b) of either the first or second bullet point of paragraph 21 i.e. by virtue of a full gender recognition certificate having been issued under the Gender Recognition Act 2004 after the original marriage of the deceased and the surviving spouse).

³⁰ S.59(5ZC)(b) of SSPA 1975

³¹ The above statement covers the survivor of:

- a) a member who was a woman who was married to a woman under a same sex marriage (but not because of the deceased had become a woman under (b) of either the first or second bullet point of paragraph 21 i.e. by virtue of a full gender recognition certificate having been issued under the Gender Recognition Act 2004 after the original marriage of the deceased and the surviving spouse).
- b) a member who was a man who was married to a man under a same sex marriage (but not because of the deceased had become a man under (b) of either the first or second bullet point of paragraph 21 i.e. by virtue of a full gender recognition

ii) the survivor of a civil partnership

will be the **same as** the scheme member's GMP date.

22. Summary table of the effective date of survivor's GMP for the:

- a) widow or widower of an opposite sex marriage, or
- b) surviving spouse of a deceased member where the deceased member was a man or woman by virtue of a full gender recognition certificate having been issued under the Gender Recognition Act 2004 and the marriage of the deceased and the surviving spouse occurred before the time when the certificate was issued.

Initial payment of LGPS pension benefits made before 24 July 1990	Initial payment of LGPS pension benefits made on or after 24 July 1990
<p>Scheme member died before GMP age</p> <p>Survivor GMP date = day after date of death</p> <p>S.59(5ZA) and (5ZC)(a) of SSPA 1975</p>	<p>Scheme member died before GMP age</p> <p>Survivor GMP date = day after date of death</p> <p>S.59(5ZA) of SSPA 1975</p>
<p>Scheme member died after GMP age</p> <p>Survivor GMP date = day after date of death</p> <p>S.59(5ZC)(a) of SSPA 1975</p>	<p>Scheme member died after GMP age</p> <p>Survivor GMP date = Scheme member's GMP date</p> <p>S.59(5ZA) of SSPA 1975</p>

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certificate having been issued under the Gender Recognition Act 2004 after the original marriage of the deceased and the surviving spouse).

23. Summary table of the effective date of survivor's GMP for:

- i) the survivor of a same sex marriage (other than one falling in paragraph 22(b) above)
- ii) the survivor of a civil partnership

Initial payment of LGPS pension benefits made before 13 March 2014 (England and Wales) or before 16 December 2014 (Scotland)	Initial payment of LGPS pension benefits made on or after 13 March 2014 (England and Wales) or 16 December 2014 (Scotland)
<p>Scheme member died before GMP age</p> <p>Survivor GMP date = day after date of death</p> <p>S.59(5ZA) and (5ZC)(b) of SSPA 1975</p>	<p>Scheme member died before GMP age</p> <p>Survivor GMP date = day after date of death</p> <p>S.59(5ZA) of SSPA 1975</p>
<p>Scheme member died after GMP age</p> <p>Survivor GMP date = day after date of death</p> <p>S.59(5ZC)(b) of SSPA 1975</p>	<p>Scheme member died after GMP age</p> <p>Survivor GMP date = Scheme member's GMP date</p> <p>S.59(5ZA) of SSPA 1975</p>

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Pensioners with an entitlement to payment of a GMP – application of increases to their LGPS pension benefits

Background

24. Prior to 6 April 2016 the old State pension system was in operation and increases applied to LGPS benefits were dependent on whether or not the State applied an ‘uprating difference calculation’ and paid the net result with any State benefits. This was commonly known to public service pension scheme administrators as payment of net ‘Additional Pension’ (‘net AP’). The ‘uprating difference calculation’ was broadly calculated as follows:

“DWP calculated the gross AP and increased that value by the percentage increase in prices as currently measured by the Consumer Prices Index. A Contracted-out Deduction, which was not increased and which broadly equated to the pensioners GMP, was set against the value of the increased gross AP, and any surplus amount was paid to the pensioner = Net AP”.

The value of the pensioner’s gross AP could be less than the value of the pensioner’s GMP or equal to or greater than the value of the pensioner’s GMP. Gross AP was less than the value of the GMP where the individual:

- had an AP (or inherited AP appropriate to a survivor of a deceased Scheme member) which was less than their GMP.
- had not claimed their State pension (or was not receiving it because they had elected to be treated as not retired).
- resided abroad in a non-reciprocal (frozen-rate) country. A list of those overseas countries where the UK Government pays an annual increase can be found [here](#).
- was disqualified from receiving the AP because they were undergoing imprisonment or detention in legal custody.
- was not entitled to a category A or category B pension (old State survivor benefits)

[There used to be an additional case i.e. where the individual was in receipt of free in-patient treatment for a continuous period of more than 8 weeks].

Full details of the above conditions were contained in the Ministerial Direction dated 6 July 2000. This was subsequently replaced by the Ministerial Direction dated [3 December 2018](#) (with backdated effective date to 6 April 2016).

The 5 April 2016 Direction (administrators should replace the 5 April 2016 Direction with the Direction dated 3 December 2018) was included as Annex E in the HM Treasury document entitled “[A note on the operation of pensions increase legislation for public service pension schemes](#)”, which was republished on 4 December 2018.

Going forward

25. From 6 April 2016 the new State pension system came into effect but with savings and transitional provisions.

State pensioner benefits

26. This meant that from 6 April 2016 the old State pension system (and thus the methodology set out in paragraph 24) continued to apply to pensioners who had reached SPa prior to 6 April 2016.

For pensioners who reach SPa after 5 April 2016 the State will no longer apply an 'uprating difference calculation' within the payment of any State pension or State death benefits. Although, a survivor who reaches SPA after 5 April 2016 may be entitled to an inherited amount based on a net inherited AP calculation, the inherited GMP is deducted at the point of award only, in the same way as their own GMP is deducted from their AP in the new State Pension 2016 starting amount calculation. In other words, it is consolidated into the survivor's new State Pension (see paragraph below). Accordingly as AP is no longer paid, the value of the AP will always be less than the value of the GMP/inherited GMP (i.e. $AP < GMP$).

State survivor benefits and impact to LGPS survivor pensions

27. The following table set out the various benefits to which the survivor may be entitled from HMRC dependent on the date of death of the member, and the impact upon LGPS survivor benefits.
- 1) Survivor was under SPa at the date of death of the member, member may have died:
 - Before 6 April 2016
 - On or after 6 April 2016 and before 6 April 2017 (transitional period for new state death benefits)
 - On or after 6 April 2017
 - 2) Survivor reached SPa before 6 April 2016 and was over SPa at the date of death of the member, member may have died:
 - Before 6 April 2016
 - On or after 6 April 2016 and before 6 April 2017 (transitional period for new state death benefits)
 - On or after 6 April 2017
 - 3) Survivor reach SPa on or after 6 April 2016 and was over SPa at the date of death of the member, member may have died:
 - On or after 6 April 2016 and before 6 April 2017 (transitional period for new state death benefits)
 - On or after 6 April 2017

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		Scheme member died prior to 6 April 2016	Scheme member died on or after 6 April 2016 and prior to 6 April 2017	Scheme member died on or after 6 April 2017
(1) Survivor was under SPa at the date of death of the Scheme member:	(i) During the period up to the survivor's SPa	Whilst the survivor is in receipt of a bereavement benefit (which contains an AP element i.e. Widow's Pension, Widowed Mother's Allowance – all pre April 2001, Widowed Parent's Allowance – from April 2001) then LGPS survivor pension is: <ul style="list-style-type: none"> • AP>=GMP Else, LGPS survivor pension is: <ul style="list-style-type: none"> • AP<GMP. 		The survivor is entitled to Bereavement Support Payment which has no AP element. Accordingly, the LGPS survivor pension is AP<GMP up to at least 5 April 2021.
	(ii) Upon the survivor reaching SPa (prior to 6 April 2016)	Survivor is entitled to the old State Pension and may be entitled to inherited AP. If so, the LGPS survivor pension is: <ul style="list-style-type: none"> • AP>=GMP Else, LGPS survivor pension is: <ul style="list-style-type: none"> • AP<GMP 	N/A	
	OR (ii) Upon the survivor reaching SPa (after 5 April 2016)	When the survivor reaches state pension age they are entitled to the new State Pension which has no AP element. If the deceased member reached SPa before 6 April 2016, although the survivor may be entitled to an inherited amount based on a net inherited AP calculation, the inherited GMP is deducted at the point of award only , in the same way as their own GMP is deducted from their AP		When the survivor reaches state pension age they are entitled to the new State Pension which has no AP element. If the deceased member reached SPa before 6 April 2016, although the survivor

		Scheme member died prior to 6 April 2016	Scheme member died on or after 6 April 2016 and prior to 6 April 2017	Scheme member died on or after 6 April 2017
		<p>in the 2016 new State Pension starting amount calculation. In other words, it is consolidated into the survivor's new State Pension.</p> <p>Accordingly, whether the deceased reached SPa before 6 April 2016 or on or after that date, the LGPS survivor pension is $AP < GMP$ up to at least 5 April 2021.</p> <p>However, there is one possible deviation from the standard rule of no AP beyond new State Pension age: this could occur where a woman is in receipt of widow's pension or widowed mother's allowance. Widow's pension can currently continue to age 65, which is beyond female SPa for women reaching 65 before 6 December 2018. After that, widow's pension will cease at SPa. Widowed mother's allowance can continue for as long as Child Benefit (CHB) is in payment so potentially could be in payment until around 2020 although such cases are likely to be extremely rare. If the woman does not claim her state pension, AP will continue in payment with the widow's benefit. If she does claim her state pension, it overlaps the widow's benefit, so the AP will be reduced or abated altogether. For the duration of such payment the LGPS survivor pension is $AP \geq GMP$.</p>		<p>may be entitled to an inherited amount based on a net inherited AP calculation, the inherited GMP is deducted at the point of award only, in the same way as their own GMP is deducted from their AP in the 2016 new State Pension starting amount calculation. In other words, it is consolidated into the survivor's new State Pension.</p> <p>Accordingly, whether the deceased reached SPa before 6 April 2016, or on or after that date the LGPS survivor pension is $AP < GMP$ up to at least 5 April 2021.</p>
	<p>(2) Survivor reached SPa prior to 6 April 2016 and was over</p>	<p>Survivor is entitled to the old State Pension and may be entitled to inherited AP. If so, the LGPS survivor pension is:</p> <ul style="list-style-type: none"> • $AP \geq GMP$ 		

		Scheme member died prior to 6 April 2016	Scheme member died on or after 6 April 2016 and prior to 6 April 2017	Scheme member died on or after 6 April 2017
SPa at the date of death of the Scheme member:		Else, LGPS survivor pension is: <ul style="list-style-type: none"> AP<GMP 		
(3) Survivor reached SPa on or after 6 April 2016 and was over SPa at the date of death of the Scheme member		N/A	<p>Survivor is not entitled to any bereavement benefit.</p> <p>Survivor is entitled to the new State Pension which has no AP element.</p> <p>If the deceased member reached SPa before 6 April 2016, although the survivor may be entitled to an inherited amount based on a net inherited AP calculation, the inherited GMP is deducted at the point of award only, in the same way as their own GMP is deducted from their AP in the 2016 new State Pension starting amount calculation. In other words, it is consolidated into the survivor's new State Pension.</p> <p>Accordingly, whether the deceased reached SPa before 6 April 2016 or on or after that date, the LGPS survivor pension is AP<GMP up to at least 5 April 2021.</p>	

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Increases for scheme members

28. For Scheme members who reached SPa prior to 6 April 2016, increases applied to their LGPS pension **are** dependent on whether or not the State applies an ‘uprating difference calculation’ and pays the net result with any State benefits. The value of the Scheme member’s AP can be less than the value of their GMP or equal to or greater than the value of the Scheme member’s GMP (i.e. $AP < GMP$ or $AP \geq GMP$).
29. Where a Scheme member’s SPa is before 6 April 2016 any $AP < GMP$ notification usually applies from a given date, depending upon when the circumstances set out in [paragraph 17](#) apply. Where the $AP < GMP$ (which may be from the outset of payment of the pension or from such a time after payment of the pension has commenced) the pension should be recalculated from the effective date of the GMP (or date pension became payable, if later) to the date upon which the pensioner became $AP < GMP$ and thereafter (until such a time as $AP < GMP$ ceases), to include pensions increase on the Pre 88 GMP and any excess in pensions increase above 3% on the Post 88 GMP³².
30. For Scheme members who reach SPa after 5 April 2016 and prior to 6 April 2021, the increases applied to their LGPS benefits **are not** dependent on whether or not the State applies an ‘uprating difference calculation’ and pays the net result with any State benefits. This is because the application of the ‘uprating difference calculation’ ended on 5 April 2016 with the ending of contracting out. For such individuals their AP will always be less than their GMP, as their AP is no longer paid by the State (i.e. $AP < GMP$). Thus, their pension must be calculated from the outset (or from the effective date of the GMP, if later) to include pensions increase on the Pre 88 GMP and any excess in pensions increase above 3% on the Post 88 GMP³³.
31. For Scheme members who reach SPa after 5 April 2021, the increases applied to their LGPS benefits are not dependent on whether or not the State applies an ‘uprating difference calculation’ and pays the net result with any State benefits. This is because the application of the ‘uprating difference calculation’ ended on 5 April 2016 with the ending of contracting out. For such individuals their AP will always be less than their GMP, as their AP is no longer paid by the State (i.e. $AP < GMP$). Thus, their pension must be calculated from the outset (or from the effective date of the GMP, if later) to include pensions increase on the Pre 88 GMP and any excess in pensions increase above 3% on the Post 88 GMP³⁴. However, whether or not these increases will continue to be applied beyond SPa is not yet known³⁵. The Government has indicated in the [outcome](#) to its consultation on increases to public service pension benefits published on 22 January 2018, that it intends to investigate the possibility of an alternative long

³² By virtue of paragraphs 2 to 6 and 11 of Ministerial Direction dated 3 December 2018 (though effective from 6 April 2016).

³³ By virtue of paragraphs 7, 8 and 11 of Ministerial Direction dated 3 December 2018 (though effective from 6 April 2016).

³⁴ By virtue of paragraphs 9, 10 and 11 of Ministerial Direction dated 3 December 2018 (though effective from 6 April 2016).

³⁵ Paragraphs 9, 10 and 11 of the Ministerial Direction dated 3 December 2018 (though effective from 6 April 2016) only currently requires the pensioner to be treated as $AP < GMP$ until 5 April 2021.

term solution, known as conversion. This guide will be updated to cover the position beyond 5 April 2021 once the outcome to those investigations are known.

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Increases for survivors of scheme members

32. Increases applied to LGPS survivor benefits *may be* dependent on whether or not the State applies an ‘uprating difference calculation’ and pays the net result with any State benefits (but see paragraph 26 and the table in [paragraph 27](#)). The value of inherited AP can be less than the value of the survivor’s inherited GMP or equal to or greater than the value of the survivor’s inherited GMP³⁶ (i.e. the survivor, regardless of the age by which they reach SPa, can be AP<GMP or AP>=GMP).
33. Where the survivor is AP<GMP under these circumstances (this may be from the outset of payment of the survivor’s pension or from such a time after payment of the survivor’s pension has commenced) the LGPS survivor’s pension should be recalculated from the effective date of the GMP to the date upon which the survivor became AP<GMP and thereafter (until such a time as AP<GMP ceases), to include pensions increase on the Pre 88 GMP and any excess in pensions increase above 3% on the Post 88 GMP³⁷.
34. The method by which survivor pensions paid after 5 April 2021 are increased (in respect of survivors who reach SPa after 5 April 2021) are subject to further investigations. The Government has indicated in the [outcome](#) to its consultation on increases to public service pension benefits published on 22 January 2018, that it intends to investigate the possibility of an alternative long term solution, known as conversion. This guide will be updated to cover the position beyond 5 April 2021 once the outcome to those investigations are known.
35. The following table sets out how a survivor GMP is applied within the payment of an LGPS survivor benefit from the appropriate entitlement and effective date.

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³⁶ Scenarios 1 to 9 (paragraph 35)

³⁷ By virtue of paragraphs 4, 7, 9 and 11 of Ministerial Direction dated 3 December 2018 though effective from 6 April 2016

Scenario	Example No.	Deceased member died	Deceased member reaches SPa	Survivor reaches SPa	Can a survivor be paid an inherited additional pension?	Any survivor GMP will be applied as follows from the appropriate entitlement and effective dates	Paragraph in HMT Direction dated 3 December 2018 where AP<GMP (if not entitled to AP) or where there is a GMP but no entitlement to AP
1	1 and 2	Prior to 6 April 2016	Prior to 6 April 2016	Prior to 6 April 2016	YES	AP>=GMP or AP<GMP depending upon circumstance	2(a) and 3
2	3	Prior to 6 April 2016	Prior to 6 April 2016	After 5 Apr 2016 and prior to 6 April 2021	YES prior to survivor reaching SPa. NO after reaching SPa unless the one exception occurs ³⁸	Prior to SPa: <ul style="list-style-type: none"> • AP>=GMP or AP<GMP depending upon circumstance Upon reaching SPa: <ul style="list-style-type: none"> • AP<GMP unless after reaching SPa the one exception occurs³⁹ 	2(b) and 3, or 7 and 8

³⁸ **The one exception:** There is one possible deviation from the standard rule of no AP beyond new State Pension age: this could occur where a woman is in receipt of widow's pension, or widowed mother's allowance. Widow's pension can currently continue to age 65, which is beyond female SPa for women reaching 65 before 6 December 2018. After that, widow's pension will cease at SPa. Widowed mother's allowance can continue for as long as Child Benefit (CHB) is in payment so potentially could be in payment until around 2020 although such cases are likely to be extremely rare. If the woman does not claim her state pension, AP will continue in payment with the widow's benefit. If she does claim her state pension, it overlaps the widow's benefit, so the AP will be reduced or abated altogether. For the duration of such payment the LGPS survivor pension is AP>=GMP.

³⁹ See footnote 38

Scenario	Example No.	Deceased member died	Deceased member reaches SPa	Survivor reaches SPa	Can a survivor be paid an inherited additional pension?	Any survivor GMP will be applied as follows from the appropriate entitlement and effective dates	Paragraph in HMT Direction dated 3 December 2018 where AP<GMP (if not entitled to AP) or where there is a GMP but no entitlement to AP
3	4	Prior to 6 April 2016	Prior to 6 April 2016	After 5 April 2021	YES prior to survivor reaching SPa NO after reaching SPa unless the one exception occurs ⁴⁰	Prior to SPa: • AP>=GMP or AP<GMP depending upon circumstance Upon reaching SPa: • AP<GMP unless after reaching SPa the one exception occurs ⁴¹	2(b) and 3, or 9 and 10 (for payments prior to 6 April 2021)
4	5	Prior to 6 April 2016	After 5 Apr 2016 and prior to 6 April 2021	Prior to 6 April 2016	YES	AP>=GMP or AP<GMP depending upon circumstance	2(a) and 3
5		Prior to 6 April 2016	After 5 Apr 2016 and prior to 6 April 2021	After 5 Apr 2016 and prior to 6 April 2021	YES	AP>=GMP or AP<GMP depending upon circumstance	2(b) and 3, or 7 and 8

⁴⁰ See footnote 38

⁴¹ See footnote 38

Scenario	Example No.	Deceased member died	Deceased member reaches SPa	Survivor reaches SPa	Can a survivor be paid an inherited additional pension?	Any survivor GMP will be applied as follows from the appropriate entitlement and effective dates	Paragraph in HMT Direction dated 3 December 2018 where AP<GMP (if not entitled to AP) or where there is a GMP but no entitlement to AP
6		Prior to 6 April 2016	After 5 Apr 2016 and prior to 6 April 2021	After 5 April 2021	YES	AP>=GMP or AP<GMP depending upon circumstance	2(b) and 3, or 9 and 10 (for payments prior to 6 April 2021)
7		Prior to 6 April 2016	After 5 April 2021	Prior to 6 April 2016	YES	AP>=GMP or AP<GMP depending upon circumstance	2(a) and 3
8		Prior to 6 April 2016	After 5 April 2021	After 5 Apr 2016 and prior to 6 April 2021	YES	AP>=GMP or AP<GMP depending upon circumstance	2(b) and 3, or 7 and 8
9		Prior to 6 April 2016	After 5 April 2021	After 5 April 2021	YES	AP>=GMP or AP<GMP depending upon circumstance	2(b) and 3, or 9 and 10 (for payments prior to 6 April 2021)
10		After 5 April 2016 and prior to 6 April 2017	Prior to 6 April 2016	Prior to 6 April 2016	YES	AP>=GMP or AP<GMP depending upon circumstance	2(a) and 3
11		After 5 April 2016 and prior to 6 April 2017	Prior to 6 April 2016	After 5 Apr 2016 and prior to 6 April 2021	YES prior to survivor reaching SPa	Prior to SPa: <ul style="list-style-type: none"> AP>=GMP or AP<GMP depending upon circumstance 	2(b) and 3, or 7 and 8

Scenario	Example No.	Deceased member died	Deceased member reaches SPa	Survivor reaches SPa	Can a survivor be paid an inherited additional pension?	Any survivor GMP will be applied as follows from the appropriate entitlement and effective dates	Paragraph in HMT Direction dated 3 December 2018 where AP<GMP (if not entitled to AP) or where there is a GMP but no entitlement to AP
					NO after reaching SPa unless the one exception occurs ⁴²	Upon reaching SPa: <ul style="list-style-type: none"> • AP<GMP unless after reaching SPa the one exception occurs⁴³ 	
12	6	After 5 April 2016 and prior to 6 April 2017	Prior to 6 April 2016	After 5 April 2021	YES prior to survivor reaching SPa NO after reaching SPa unless the one exception occurs ⁴⁴	Prior to SPa: <ul style="list-style-type: none"> • AP>=GMP or AP<GMP depending upon circumstance Upon reaching SPa: <ul style="list-style-type: none"> • AP<GMP unless after reaching SPa the one exception occurs⁴⁵ 	2(b) and 3, or 9 and 10 (for payments prior to 6 April 2021)

⁴² See footnote 38

⁴³ See footnote 38

⁴⁴ See footnote 38

⁴⁵ See footnote 38

Scenario	Example No.	Deceased member died	Deceased member reaches SPa	Survivor reaches SPa	Can a survivor be paid an inherited additional pension?	Any survivor GMP will be applied as follows from the appropriate entitlement and effective dates	Paragraph in HMT Direction dated 3 December 2018 where AP<GMP (if not entitled to AP) or where there is a GMP but no entitlement to AP
13		After 5 April 2016 and prior to 6 April 2017	After 5 Apr 2016 and prior to 6 April 2021	Prior to 6 April 2016	YES	AP>=GMP or AP<GMP depending upon circumstance	2(a) and 3
14		After 5 April 2016 and prior to 6 April 2017	After 5 Apr 2016 and prior to 6 April 2021	After 5 Apr 2016 and prior to 6 April 2021	YES – if survivor under SPa at date of deceased member's death - otherwise NO	AP>=GMP or AP<GMP depending upon circumstance	2(b) and 3, or 7 and 8
15		After 5 April 2016 and prior to 6 April 2017	After 5 Apr 2016 and prior to 6 April 2021	After 5 April 2021	YES – if survivor under SPa at date of deceased member's death – otherwise NO	AP>=GMP or AP<GMP depending upon circumstance	2(b) and 3, or 9 and 10 (for payments prior to 6 April 2021)

Scenario	Example No.	Deceased member died	Deceased member reaches SPa	Survivor reaches SPa	Can a survivor be paid an inherited additional pension?	Any survivor GMP will be applied as follows from the appropriate entitlement and effective dates	Paragraph in HMT Direction dated 3 December 2018 where AP<GMP (if not entitled to AP) or where there is a GMP but no entitlement to AP
16		After 5 April 2016 and prior to 6 April 2017	After 5 April 2021	Prior to 6 April 2016	YES	AP>=GMP or AP<GMP depending upon circumstance	2(a) and 3
17		After 5 April 2016 and prior to 6 April 2017	After 5 April 2021	After 5 Apr 2016 and prior to 6 April 2021	YES – if survivor under SPa at date of deceased member’s death - otherwise NO	AP>=GMP or AP<GMP depending upon circumstance	2(b) and 3, or 7 and 8
18		After 5 April 2016 and prior to 6 April 2017	After 5 April 2021	After 5 April 2021	YES – if survivor under SPa at date of deceased member’s death – otherwise NO	AP>=GMP or AP<GMP depending upon circumstance	2(b) and 3, or 9 and 10 (for payments prior to 6 April 2021)

Scenario	Example No.	Deceased member died	Deceased member reaches SPa	Survivor reaches SPa	Can a survivor be paid an inherited additional pension?	Any survivor GMP will be applied as follows from the appropriate entitlement and effective dates	Paragraph in HMT Direction dated 3 December 2018 where AP<GMP (if not entitled to AP) or where there is a GMP but no entitlement to AP
19		After 5 April 2017	Prior to 6 April 2016	Prior to 6 April 2016	YES	AP>=GMP or AP<GMP depending upon circumstance	2(a) and 3
20		After 5 April 2017	Prior to 6 April 2016	After 5 Apr 2016 and prior to 6 April 2021	NO	Always AP<GMP	7 and 8
21		After 5 April 2017	Prior to 6 April 2016	After 5 April 2021	NO	Always AP<GMP	9 and 10 (for payments prior to 6 April 2021)
22	7	After 5 April 2017	After 5 Apr 2016 and prior to 6 April 2021	Prior to 6 April 2016	YES	AP>=GMP or AP<GMP depending upon circumstance	2(a) and 3
23	8	After 5 April 2017	After 5 Apr 2016 and prior to 6 April 2021	After 5 Apr 2016 and prior to 6 April 2021	NO	Always AP<GMP	7 and 8
24		After 5 April 2017	After 5 Apr 2016 and prior to 6 April 2021	After 5 April 2021	NO	Always AP<GMP	9 and 10 (for payments prior to 6 April 2021)

Scenario	Example No.	Deceased member died	Deceased member reaches SPa	Survivor reaches SPa	Can a survivor be paid an inherited additional pension?	Any survivor GMP will be applied as follows from the appropriate entitlement and effective dates	Paragraph in HMT Direction dated 3 December 2018 where AP<GMP (if not entitled to AP) or where there is a GMP but no entitlement to AP
25		After 5 April 2017	After 5 April 2021	Prior to 6 April 2016	YES	AP>=GMP or AP<GMP depending upon circumstance	2(a) and 3
26		After 5 April 2017	After 5 April 2021	After 5 Apr 2016 and prior to 6 April 2021	NO	Always AP<GMP	7 and 8
27	9	After 5 April 2017	After 5 April 2021	After 5 April 2021	NO	Always AP<GMP	9 and 10 (for payments prior to 6 April 2021)

Summary

36. Accordingly, at any given point in time the pensioner may be: -

- AP greater than or equal to GMP ('AP \geq GMP'), or
- AP less than GMP ('AP $<$ GMP')

Whether or not the pensioner is AP \geq GMP or AP $<$ GMP, determines how the LGPS benefits are increased.

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Increments and their increases

37. If the scheme member's LGPS benefits are paid 7 weeks or more after GMP age, the LGPS must increment the GMP under s.15(1) of the PSA 1993. Such increments are subsumed within the overall GMP guarantee and are not paid in addition to the LGPS pension (except where:

- i) they form part of an anti-franking addition, or
- ii) the LGPS pension accrued prior to 6 April 1997 is less than the GMP plus increments, in which case the aggregate of the GMP plus GMP increments plus the LGPS pension accrued post 5 April 1997 is payable).

38. The increment attributed to the Post 88 GMP is increased by the LGPS administering authority under s.109 of the PSA 1993 by way of the Guaranteed Minimum Pension Increase Order each 6 April.

Where a pensioner is AP $<$ GMP, the LGPS administering authority increases the increment attributed to the: -

- Pre 88 GMP under the PIA 1971, and
- Post 88 GMP also under the PIA 1971 but only to the extent by which the increase exceeds 3%

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Brief overview of payroll elements and their increases

39. As discussed in the previous section, whether or not the pensioner has attained GMP age and, if so, whether AP \geq GMP or AP $<$ GMP determines what payroll elements will be in payment at any given point in time. When applying increases to a payroll element the administering authority must first decide under what legislation the element is increased (if at all) in order to determine the date on which any increase is to apply.

40. Appendix A sets out a number of examples covering different payroll events that may occur during the lifetime of a Scheme member who has built up a GMP. The examples note the legislation against which the payroll elements may increase together with the relevant date of the increase under the appropriate legislation. In addition, the examples assume that any Treasury Order revaluation due on

any LGPS CARE pension after leaving active membership has been included within the basic pension and consequently such increases are not shown as a separate element. This list is not exhaustive; it merely provides a snap shot of what administering authorities could expect a payroll record to look like at a given point in time.

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Brief overview of the suite of examples

Brief overview

41. The summary of examples contained in appendix B and the associated suite of example calculations contained in appendix C detail how increases are to be applied to a pensioner's LGPS benefits under the PIA 1971 and s.109 of the PSA 1993 via the GMP Increase Order. Appendix D contains an historical list of the PI and GMP increases. For ease, all examples assume that any Treasury Order revaluation due on any LGPS CARE pension after leaving active membership has been included within the basic pension.

The majority of the examples travel through the lifetime of the payment of a scheme member's LGPS pension followed by the payment of any connected survivor benefits up to a specified date. They demonstrate the effect of the Ministerial Direction dated 3 December 2018 (backdated to the 6 April 2016) issued under s.59A of the SSPA 1975. Consequently they detail how payment of LGPS pension benefits on 6 April 2016 remain the same from those in payment on 5 April 2016 though with reference to different Ministerial Directions. Accordingly, each example contains payment figures on both those dates (though in reality those figures are the same).

For simplicity, the examples take no account of:

- **any anti-franking increase that may have been due to the member under Chapter III of Part IV of the PSA 1993, and**
- **the Local Government Pensions Scheme (Miscellaneous Amendment) Regulations 2018 [SI2018/1366] which equalise the survivor benefits of civil partners and same sex marriage. To confirm, a surviving civil partners GMP and same sex marriage GMP has not changed as a result of these regulations.**

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Range of examples

42. A wide range of examples have been chosen which include using the pre 24 July 1990 and the post 23 July 1990 method for calculating the effective date of a GMP for survivor pensions payable to widows or widowers, including those from

a same sex marriage falling within paragraph 22(b), and the pre 13 March 2014 (England and Wales) or pre 16 December 2014 (Scotland) method for calculating the effective date of a GMP for survivor pensions payable to civil partners or to widows or widowers from a same sex marriage not covered by paragraph 22(b). **Examples 1 to 9** contain an initial scheme member with a connected survivor. In some of the examples the connected survivor (survivors can be widows, widowers, survivors from a same sex marriage and civil partners depending upon the example) is shown in different circumstances though related to the same scheme member. An example may show up to 3 different calculations for a widow's pension depending on the relationship between the AP and the GMP; thus connected widow (1) could show the calculation for a widow who is $AP < GMP$ from the outset of payment, whereas connected widow (2) could show the calculation for the same widow but who is, instead, $AP \geq GMP$ from the outset of payment, and connected widow (3) could show the calculation for the same widow but who, instead, has had a combination of both $AP < GMP$ and $AP \geq GMP$ throughout payment.

Examples 1 to 9 are based on the scenarios set out in paragraph 35. Not all of the scenarios are covered in examples 1 to 9 as a number of scenarios produce the same outcome within an example, with reference to the Ministerial Direction dated 3 December 2018 (backdated to the 6 April 2016).

43. **Example 11** looks at the position of a female pensioner who is entitled to a GMP but has been $AP < GMP$ since retiring at 60 (her GMP age). It shows how to calculate increases on Post 88 GMPs when $AP < GMP$. When $AP < GMP$ the net result is that full increases are applied to the pre 88 GMP and to the post 88 GMP. However, the post 88 increase is split into two elements:
- the increase up to 3% under s.109 of the PSA 1993 by way of the Guaranteed Minimum Pensions Increase Order, and
 - the increase above 3% under s.59 of the SSPA 1975 by way of Pensions Increase (Review) Orders and subject to any Direction issued under s.59A of the SSPA 1975

However, this causes a bit of a problem when:

- Pensions Increase goes above 3%,
- then drops to below 3% for a couple of years,
- then again goes above 3% for a couple of years
- then drops to below 3% again.

This is because, in the years when Pensions Increase exceeds 3% (e.g. if PI is 5.9%):

- the post 88 GMP and any existing post 88 GMP increases should get a 3% increase on the GMP increase date (always a 6th April)
- the post 88 GMP and any increases (up to 3%) that had been applied to the post 88 GMP should get a 2.9% increase on the PI date
- any existing increases on the post 88 GMP (above 3%) should get a full 5.9% increase

with the aggregate of these latter two amounts being added to any existing increase amount on the post 88 GMP (above 3%).

Example 10 looks at the position that would have applied if the same female pensioner had not been entitled to a GMP because she had paid the married woman's reduced rate of National Insurance and so would receive Pensions Increase on all of her pension.

The examples prove that the calculation methodology used in example 11 is correct as there is only a £0.08 difference on 10th April 2017 between the annual pension figure shown on that date in example 11 and that shown in example 10.

44. **Example 12** covers how to calculate increases when a pensioner who is initially $AP \geq GMP$ becomes $AP < GMP$ and subsequently again becomes $AP \geq GMP$ with the "GMP to apply as at date" being the same as the GMP date.

Example 12 looks at a pensioner who at age 65 on 21/04/2010 is $AP \geq GMP$, then on 01/06/2014 become $AP < GMP$ and on 01/10/2015 is again $AP \geq GMP$ (GMP as applied from 21/04/2010).

45. **Example 13** covers how to calculate increases when a pensioner who is initially $AP = GMP$ becomes $AP < GMP$ and subsequently again becomes $AP \geq GMP$ with the "GMP to apply as at date" being the same as the $AP \geq GMP$ from date.

Example 13 looks at a pensioner who at age 65 on 21/04/2010 is $AP \geq GMP$, then on 01/06/2014 become $AP < GMP$ and on 01/10/2015 is again $AP \geq GMP$ (GMP as applied at 01/10/2015).

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