

Freedom of Information Request

Request:

Why is there no increase to pension in this financial year?"

Status: Complete**Response Date:** 20 July 2010

In common with other public service pensions, NHS pensions are increased under the provisions of the Pensions (Increase) Act 1971 and Section 59 of the Social Security Pensions Act 1975. The latter provides for public service pensions to be up-rated at the same time and by the same percentage as the increase in the additional pension provided under the State Earnings Related Pension Scheme (SERPS), which at the time of writing is based on the September-to-September increase in the Retail Price Index (RPI). The underlying purpose of this legislation is to maintain the purchasing power of additional state pensions and public service pensions.

In the event of negative RPI, benefit rates are protected (i.e. rates in payment are not reduced on account of deflation), thereby providing an increase in support in real terms.

Where you express concern that NHS pensions have not received any uplift this year, the annual RPI for September 2009 was minus 1.4%. Therefore in April 2010 all NHS pensions remained at their existing level.