

21 January 2010

LGPS Pension Managers

Our Ref: LGR 102/9/2 Pt 4

Your Ref:

Dear Sir/Madam,

LOCAL GOVERNMENT PENSION SCHEME : PENSIONS INCREASE 2010

Following the Pre Budget Report in December 2009, you should be aware that only state flat rate pensions and some means tested benefits are being indexed. Next year (2010 – 2011) occupational pensions will go up by **0%** (You will, I understand, still have to run a zero increase through the admin system)

If your concern is about uprating benefits or changing contribution bands then the answer is they both stay the same. However, Bob Holloway issued a consultation last July, which proposed a re-alignment of the contribution tariff, and a final decision has yet to be made on this issue. We may return to it in the course of the year.

I am sending a copy of this letter to Terry Edwards, Assistant Director (Pensions) Employers Organisation for information.

Yours faithfully,

Andrew Lankester

A J Lankester

Workforce Pay and Pensions Division