

Invensys Pension Scheme (IPS): Notice to Pensioners

(A) Annual increase to pensions in payment 2011

Accompanying this Notice is a Payment Advice Slip which shows your new rate of pension as per the Rules of the IPS.

For the majority, IPS payments are increased by reference to the rise in the Retail Prices Index (RPI) over the period December to December, with a minimum of 3.0% per annum and a maximum of 5.0% per annum. The reported annual rise in the RPI to December 2010 was 4.8% so this increase applies, but not necessarily on the whole of your pension or in all cases, the exceptions being:

- (i) IPS joiners after 5 April 2000: 4.8% on the total pension.
- (ii) Post 5 April 2006 IPS earned pension: 3.0% (with pre 6 April 2006 guarantees applying).
- (iii) Guaranteed Minimum Pension (GMP) earned between 6 April 1978 and 5 April 1988: increased by the State (please see note 1 below).
- (iv) GMP earned between 6 April 1988 and 5 April 1997: 3.0% (please see note 2 below).
- (v) Electricity Supply Pension Scheme (ESPS): 4.6%.

Certain other classes of pensioners may have further guarantees which must be tested as a result of scheme merger promises. In accordance with the Rules, these members will have had the appropriate increase applied.

Notes

1. As a member (or beneficiary) of the IPS you were generally "contracted-out" of the State Earnings Related Pension Scheme (SERPS). This means that whilst a member of the IPS a lower rate of employee National Insurance contributions were paid. In return, the IPS had to provide a GMP which roughly equates with the amount which would have been earned under SERPS. Once a member has reached State pension age only the element of IPS pension in excess of the GMP receives the guaranteed increases as described above. Any increase on the GMP element is the responsibility of the Government payable through your State pension.
2. If contracted-out between 6 April 1988 and 5 April 1997 the IPS is responsible for increasing the GMP earned over this period by the rise in the Consumer Prices Index (CPI) capped at 3.0% per annum under statutory orders issued by Government. As the reported annual rise in CPI to September 2010 was 3.1% the cap of 3.0% will apply.

Any questions relating to GMP entitlements should always be directed to your local Department for Work and Pensions (DWP) office and not Invensys Pensions as we have no access to your National Insurance records and can only act upon information provided to us by the DWP.

(B) Additional Bank Holiday

Please note that since the announcement of a further Bank Holiday on 29 April the May payment date will be brought forward to Thursday 28 April.

(C) Tax return P60

Your annual P60 will be posted to you with another Payment Advice Slip at the end of April. Please, therefore, do not assume that it is merely a circular and throw it away, as the P60 is important and must be retained for tax purposes.

(D) Communications with Invensys Pensions

In all communications (remembering that we cannot take change of address or banking details over the telephone or via email as written, signed confirmation is required) please quote your Reference Number as shown on the Payment Advice Slip and send to.

Payroll Manager
Invensys Pensions
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Telephone: 0191 206 1035
Local rate: 0845 300 0549

Issued by Invensys Pensions